

CITY OF LODI, CALIFORNIA COMPREHENSIVE ANNUAL FINANCIAL REPORT Year Ended June 30, 1995

CITY OF LODI, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT Fiscal Year Ended June 30,1995

STEPHEN J. MANN, MAYOR
David Warner, MAYOR PRO TEMP
RAY G. DAVENPORT, COUNCIL MEMBER
PHILLIP PENNINO, COUNCIL MEMBER
JACK A. SIEGLOCK, COUNCIL MEMBER

H. DIXON FLYNN, CITY MANAGER

Prepared by the Department of Finance Vicky McAthle, Finance Director/Treasurer Ruby Paiste, Acting Accounting Manager Coriene Wadlow, Acting Accountant

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PREFACE

PREFACE

The Comprehensive Annual Financial Report (CAFR) has been prepared in order to present the City of Lodi, California (City) monetary results of operations and financiat condition as of June 30, 1995, as well as provide statistical information of general interest about the City. To achieve these goals, the City's CAFR was organized into the following four major sections:

INTRODUCTION

This section of the CAFR provides a comprehensive analysis of the City's financial position as of June 30, 1995 as well as summaries of significant policies and practices which affect the City's management of its financial affairs. The Introduction section also includes a directory **£** City officials and advisory bodies and an organization chart of the City.

FINANCIAL REPORTS

This section includes the primary financial statements of the City and is organized into three major areas:

- * Independent Auditors' Report
- * General Purpose Financial Statements including notes which summarize the City's financial position and results of operations at the "Fund level.
- Supplemental financial statements, which provide financial information for each of the City's funds and account groups organized by
 generic fund type: Governmental Funds (General, Special Revenue, Capital Project and Debt Service), Enterprise Funds, Fiduciary Funds
 and General Fixed Assets and General Long-Term Debt. An overview introduces each of these supplemental financial statements which
 describes the purpose of each fund or account group.

In accordance with generally accepted accounting principles, the City's financial reporting system is organized on a "fund basis, which is described further on the following pages of this Preface.

STATISTICAL TABLES

This section includes the following demographic and financial tables which provide current and historical trend information for the City and is organized into four major areas:

- * Statistical overview
- * General financial trends of revenues, expenditures, property valuation and tax sources for the last ten years
- * Long-term indebtedness trends and characteristics
- * Demographic and economic base trends and characteristics

PREFACE - CONTINUED

SINGLE AUDIT

The City is required to undergo an annual single audit of its federal financial assistance in conformity with the provisions of the single Audit Act of 1984. Information related to this single audit, including the schedule of federal financial assistance, findings and recommendations, and auditors' reports on the internal control structure and compliance with applicable laws and regulations, is also included in this report.

The City's financial reporting system is organized on a "fund" basis consisting of three major fund types - Governmental, Proprietary and Fiduciary - and two self-balancing Account Groups. The City's various funds as summarized below have been established in order to segregate and identify those financial transactions and resources associated with providing specific activities or programs in conformance with special regulations, restrictions or limitations.

GOVERNMENTAL FUNDS

Most of the City's programs and functions are provided and financed through the following Governmental Funds, which are distinguished by their measurement focus on determining financial position and changes in financial position, rather than upon determining net income:

General Fund'
Debt Service
Capital Project Funds

Equipment Fund
Library Capital
Subdivision Capital
Hutchins Street Square Capital
Capital Outlay Reserve Fund
Lodi Lake Capital

Special Revenue Funds

Police Special Revenue Fund Special Grants Fund Streets Fund Transportation Fund Community Development Block Grants

PROPRIETARY FUNDS

Proprietary funds are distinguished from Governmental funds by their similarity to private sector enterprises, as the intent is that the cost of providing services whether this service is to the public (Enterprise Funds) or internally to the organization (Internal Service Funds) is to be financed or recovered primarily through user charges. Enterprise Funds may also be established to account for operations under which the City or an outside granting agency has decided that a periodic determination of net income under full accrual accounting is appropriate for capital maintenance, public policy, management control, accountability or other public purpose. The following five Enterprise Funds are used by the City: Camp Hutchins, Electric, Sewer, Water and Transit. The Internal Service Funds are used to account for claims and benefits and equipment maintenance and motor pool.

PREFACE - CONTINUED

FIDUCIARY FUNDS

Also known as Trust and Agency Funds, the following funds are used to account for assets maintained by the City in a trustee capacity for private individuals, organizations or other governmental agencies:

ExpendableTrust Funds

Agency Funds

Expendable Trust Funds
Private Sector Trust
Hutchins Street Square Bequest
Miscellaneous Expendable Trust

Agency FundsDeferred Compensation
Special Assessments

ACCOUNT GROUPS

Except for assets and liabilities associated with the Proprietary or Fiduciary fund types, the following self-balancing account groups are used for accounting control and accountability for the City's general fixed assets and the unmatured portion of principal outstanding on its general long-term obligations.

General Fixed Assets Account Group General Long-term Obligations Account Group

INTRODUCTION

CITY COUNCIL

STEPHEN J. MANN, Mayor DAVID P. WARNER Mayor Pro Tempore RAY G. DAVENPORT PHILLIP A. PENNINO JACK A. SIEGLOCK

CITY OF LODI

P.O. BOX 3006 LODI, CALIFORNIA 95241-1910 (209) 333-6706 FAX (209) 333-6795 H. DIXON FLYNN
City Manager
JENNIFER M. PERRIN
City Clerk
RANDALL A. HAYS
City Attorney

October 13, 1995

To the Honorable Mayor, Members of the City Council and Manager of the City of Lodi:

The Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June **30,1995**is hereby submitted. This report is provided to present the financial position, results of operations and cash flows of the City's funds as of June **30,1995**, in conformity with generally accepted accounting principles. The report conforms to the highest standards of financial reporting as established by the Governmental Accounting Standards Board (GASB), for reporting by State and local governments. The responsibility for the accuracy, fairness and completeness of the report rests with the City.

We believe that the information is accurate in all material respects and that it is presented in a manner designed to fairly present the financial position of the City. In addition, we believe that all disclosures necessary to enable the reader to gain full understanding of the City's financial activities has been included.

The CAFR is presented in four sections: introductory, a financial section, a single audit section and statistical section. The introduction includes the transmittal letter, the City's organization chart and a list of principal officials. The financial section includes the auditors' report on the general purpose financial statements, the financial statements and notes to the fmancial statements. The single audit section includes the auditors' report on the schedule of federal financial assistance, notes to the schedule and reports on compliance and internal control structure on financial assistance programs. The statistical section includes selected financial and demographic information presented on a multi-year basis.

THE REPORTING ENTITY AND SERVICES PROVIDED

The funds and account groups included in the CAFR are those deemed dependent upon the City and controlled by the City Council and reflect the City's financial reporting entity in accordance with the Governmental Accounting Standards Board (GASB) Statement 14.

The City provides a wide range of municipal services including public safety (police, fire and graffiti abatement), public utilities services (electric, water and sewer), transportation services (streets, flood control and transit) leisure, cultural and social services (parks and recreation, library, community center and child care service), and general government services (management, personnel administration, financial administration, building maintenance and equipment maintenance).

Several municipal services are provided through other government agencies, private companies or public utility companies, including:

	Number of Facilities
Elementary and Secondary Schools	13
Sanitation (solid waste) and Cable Television	2
Ambulance	1
Gas and Telephone	2

ECONOMIC CONDITION AND OUTLOOK

Overview

The City is located in the San Joaquin Valley between Stockton, 10 miles to the south, and Sacramento 35 miles to the north, an, adjacent to I S. Highway 99. The City population is 54,700 and is contained in an area of 12 square miles. The City has grown steadily since incorporation in 1906 and is projected to grow to 70,500 people by the year 2007. The City's growth is provided for in both the General Plan and the City's growth control ordinance that allows an increase in population of 2% per year until the growth limits are reached.

The average and mean income of Lodi residents are the second highest in the County. Sales tax per capita is the highest in the County. Lodi is built on a strong and broad based agricultural industry with national and industrial markets for its commodities and products. Wines, processed foods, nuts, fruit and milk are major commodities of the Lodi area and provide the basic material for food processing and packaging. These commodities support the operations of General Mills, Guild Winery and Pacific Cost Producers to name just three companies in the business of processing local agricultural commodities.

In addition, Lodi has a wide range of small, financially sound businesses that add **to** the economic strength of the City. These companies range in size from 10 to 150 employees and produce **a** wide variety **of** products, services and commodities.

Economic Development

Lodi is committed to promoting economic development (business retention and attraction) to expand the tax base to fund city services rather than increase taxes to pay for these services. The City developed long and short term economic development goals in conjunction with the Chamber of Commerce and began developing revitalization plans for the downtown and Cherokee Lane.

Conference/Performing Art Center

The City and in partnership with the Old Lodi Union High School Site Foundation evaluted the demand for a conference/performing arts center. This involves the renovation of the old auditorium that can be restored as an 800 seat capacity facility.

Indoor Sports Facility

The City has developed a Parks, Recreation and Open Space Master Plan that identified the need to build an indoor sports facility to meet current demand for indoor space for indoor recreation activities. The estimated cost for a facility of the size considered is between \$4 million and \$6 million.

FINANCIAL INFORMATION, MANAGEMENT AND CONTROL

A detailed understanding of the financial position and operating results of the City is provided in the following sections of this report. The following is a brief description of the City's financial condition, management practices and control techniques.

Basis of Accounting

Basis of accounting refers to the policy as to when revenues, expenditures or expenses are recognized in the financial accounts and reported in the financial statements. The City's accounting records for general government operations are maintained on a modified accrual basis. Revenues are recorded when available and measurable. Expenditures are recorded when the services or goods are received and the liability incurred. For proprietary **fund** types, the City uses the accrual basis of accounting. As such, the measurement focus is on net income in addition to financial position and changes in financial position. Revenues are recognized when earned and expenses are recognized as the liability is incurred. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Accounting System and Budgetary Control

In developing the City's accounting system, consideration is given to the adequacy of the internal controls. The objective of the City's internal accounting controls is to provide reasonable, but not absolute, assurance that the assets are safeguarded against loss from unauthorized use or disposition; and to ensure that transactions are properly recorded to permit the preparation of financial statements in accordance with generally accepted accounting principles. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived and that estimates and judgments are required to be made by management in evaluating these costs and benefits.

In addition, the City maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The budget is adopted annually. The City Manager is responsible for the preparation of the budget and its implementation after adoption. The City Council has the authority to amend the budget at any time during the year. The City Manager has the authority to make adjustments to the budget as long as those changes will not have a significant policy impact nor affect budgeted year-end balances. During fiscal year 1994-95, several supplemental budget appropriations were made by the City Council and City Manager.

In addition to revitalization plans, the City is reviewing a number of incentives to retain and attract new businesses. Among the incentives being considered are infrastructure improvements, property tax abatement, regulatory flexibility, tax credits, utility rate incentives and public financing and/or grants.

MAJOR INITIATIVES

Overview

As discussed above, economic development was the leading initiative of the City in **1994-95.** Other significant initiatives included: 1) form a Street Crimes Unit; 2) execute a long term lease with California Youth Soccer Association; 3) residential neighborhood improvements; **4)** building a conference and performing arts center and; **5)** plan to provide an indoor sports facility. The City issued a Certificate of Participation in September **1995** to help fund these goals.

Central City Revitalization

The revitalization program was approved by the Council to focus additional City effort and resources on improving the local economy by enhancing community pride in the downtown and promoting the downtown as the historical, pedestrian and socializing center of the City.

Cherokee Lane Beautification

Cherokee Lane parallels Highway 99 and is the preferred route for north-south intercity travel in the Central Valley. Before the Highway 99 bypass was built, Cherokee Lane was Highway 99 with a mix of businesses that catered to highway traffic. Over time however, Kettleman Lane became a preferred location for commercial development and disinvestment along Cherokee Lane became a problem. To improve Cherokee Lane, the City Council adopted three objectives: 1) improve streetscape and lighting conditions; 2) establish development standards and guidelines that improve the appearance of buildings and businesses and; 3) encourage and accommodate lodging, auto and support businesses.

Street Crimes Unit

Overall crime in Lodi has declined in the last year. However, criminal activity in certain neighborhoods and areas of the City exist at unacceptable levels. The continued efforts of the City to remove criminals from the streets and neighborhoods are a top priority. Recognizing the fiscal constraints which the City faces, the Police Department believes a Street Crimes Unit concept provides the Police Department with the necessary resources to concentrate police personnel in specific problem areas to free patrol officers to respond to general service calls.

In **1993-94** the Lodi Police Department initiated the Community Oriented Policing (COPS) program which implemented a "Partners" program for senior volunteers to assist the Police Department with non-emergency and non-criminal activities to allow officers to focus on crime prevention. The Partners Program is so successful that it was nominated and was awarded the **1995** California Cities Helen Putnam Award for Excellence.

Residential Neighborhood Improvements

The City Council has developed an action plan to revitalize the Eastside residential area to prevent the area from further deterioration. A Code enforcement officer was hired to help accomplish the effort to eliminate blight and to ensure safe neighborhood conditions in the eastside.

Fund Balance

It is the City's goal to maintain an unreserved, undesignated fund balance in the General Fund and working capital balances in the Electric, Water and Sewer enterprise funds of at least 15% of operating expenditures. This goal was achieved in fiscal year 1994-95.

Cash Management

The City has written investment policies that address a wide range of investments. These policies describe the City's investment objectives, investment authority, allowable investment vehicles, maturity terms and eligible financial institutions. These policies describe the City's capital preservation and cash management objectives. As provided in the policy, investments are intended to be held until maturity and investment terms are to be consistent with the City's cash flow needs. Investment reports are issued monthly to the City Manager and City Council to provide detailed information regarding the City's investments and compliance with City policy. An important objective of the City's investment policy is to achieve a reasonable rate of return on public funds while minimizing risks and preserving capital. In evaluating the performance of the City's investment portfolio, investments are expected to yield a rate of return that regularly meets or exceeds an average rate of return on a three-month **U.S.** Treasury Bill.

Appropriation Limitation

Article XIII B of the Constitution of the State of California (Proposition 9) provides for the limitation of expenditures by state and local governments. Under the provisions of this article, City appropriations funded through tax sources may not exceed Fiscal year 1979 appropriation levels except as adjusted for increases in population and the cost of living. Excluded from the limitation are appropriations funded through charges for services, fines and forfeitures, grants, transfers of service responsibilities between government agencies and indebtedness incurred prior to Fiscal Year 1979. Pursuant to subsequent legislation adopted after Article XIII B, the City is required to annually establish and adopt its appropriations limit by resolution. For 1994-95, the City's appropriations subject to limit were \$17,292,960 and the appropriation limit was \$36,515,234, a favorable variance of \$19,222,274.

Debt Administration

The ratio of net general bonded debt to assessed valuation and the amount of bonded debt per capita is useful indicators of the City's debt position to municipal management, citizens and investors. This ratio for the fiscal year 1994-95 is:

Darcant of Nat

		r cicciii di Nei	
		Bonded Debt to	Debt Per
	Amount	Assessed Full Cash Value	<u>Capita</u>
Net Direct Bonded Debt	\$290,000	0.01 17%	\$5.30

At June 30, 1995, the City had outstanding general obligation bonds of \$290,000, special assessment bonds of \$160,000 and Certificates of Participation of \$10,174,023. These liabilities are discussed in Note 8 of the General Purpose Financial Statements.

The City's debt management policy includes a commitment to monitor all forms of debt annually during the preparation of the City's Financial Plan and Budget to ensure compliance. Also, the City will generally conduct financing on a competitive basis and will seek an investment grade rating on any direct debt and will obtain credit enhancements such as letters of credit or insurance when necessary for marketing purposes, availability and cost effectiveness.

Interim Financial Reporting

Monthly financial reports are prepared to present the City's financial condition and results of operation. These reports are organized using the "pyramid" approach. As such, the highest level of summary data is presented first, followed by progressively greater levels of detail. The reports provide current period and year to date revenues, expenditures and encumbrances for all activities and funds, including year to date estimates and variances.

Single Audit

The City is subject to financial and compliance reporting required by the Single Audit Act of **1984** which is a requirement of all local and state governments receiving federal financial assistance. As part of the Single Audit, tests are made to determine the adequacy of internal controls, including that portion related to federal financial assistance, as well as to determine that the City has complied with applicable laws and regulations governing federal funds. The result of the City's single audit for the fiscal year ended June 30, **1995**, provided no instance of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Competitive Bidding Policy

All purchases for materials, equipment and services during **1994-95** were made pursuant to competitive bidding procedures as established under the City's purchasing ordinance. Contracts for construction projects were awarded pursuant to competitive bidding procedures established **by** the State of California for projects in excess of \$5,000.

Risk Management

The City is self-insured for dental care, chiropractic, worker's compensation, general liability and unemployment insurance. General liability and worker's compensation are administered by an outside agency. Unemployment, chiropractic and dental care are administered by the City. Self-insurance transactions are accounted for under the City's Claims and Benefits Fund. At June **30,1995**, the Claims and Benefits Fund had a deficit of \$2,183,276. To correct this situation, an actuary was hired to look at the City's worker's compensation liability and evaluate rates used to fund this program.

FINANCIAL HIGHLIGHTS

As demonstrated **by** the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for effectively managing the financial resources of the City.

General Government Functions

The following table presents a summary of the general fund, special revenue funds, capital projects funds, expendable trust funds and debt service fund revenues for the fiscal year ended June 30, 1995, and the amount of increases and decreases in relation to prior year revenues. As provided and discussed below, revenues increased by \$4,625,997 or 21.30 % over 1994.

REVENUES

	19	95		199	94	Variance	Variance	
•	Amount	Yo of Total	-	Amount	Yo of Total	by Amount	by Percent	
\$	16,208,812	61.52%	\$	12,579,665	57.91%\$	3,629,147	28.85%	
	633,961	2.41%		506,530	2.33%	127,431	25.16%	
	5,928,167	22.50%		4,756,564	21.90%	1,171,603	24.63%	
	2,128,551	8.08%		2,099,832	9.67%	28,719	. 1.37%	
	405,818	1.54%		407,168	1.87%	(1,350)	-0.33%	
	840,256	3.19%		1,172,337	5.40%	(332,081)	-28.33%	
	201,696	0.76%		199,168	0.92%	2,528	1.27%	
\$	26,347,261	100.00%	\$	21,721,264	100.00%\$	4,625,997	21.30%	
	\$	Amount \$ 16,208,812 633,961 5,928,167 2,128,551 405,818 840,256 201,696	\$\frac{16,208,812}{633,961} \frac{61.52\%}{2.41\%}\$ \$5,928,167 \frac{22.50\%}{2,128,551} \frac{8.08\%}{840,256}\$ \$\frac{405,818}{3.19\%}\$ \$\frac{201,696}{0.76\%}\$	Amount Yo of Total \$ 16,208,812 61.52% 633,961 2.41% 5,928,167 22.50% 2,128,551 8.08% 405,818 1.54% 840,256 3.19% 201,696 0.76%	Amount Yo of Total Amount \$ 16,208,812 61.52% \$ 12,579,665 633,961 2.41% 506,530 5,928,167 22.50% 4,756,564 2,128,551 8.08% 2,099,832 405,818 1.54% 407,168 840,256 3.19% 1,172,337 201,696 0.76% 199,168	Amount Yo of Total Amount Yo of Total \$ 16,208,812 61.52% \$ 12,579,665 57.91% \$ 633,961 2.41% 506,530 2.33% 5,928,167 22.50% 4,756,564 21.90% 2,128,551 8.08% 2,099,832 9.67% 405,818 1.54% 407,168 1.87% 840,256 3.19% 1,172,337 5.40% 201,696 0.76% 199,168 0.92%	Amount Yo of Total Amount Yo of Total by Amount \$ 16,208,812 61.52% \$ 12,579,665 57.91% \$ 3,629,147 633,961 2.41% 506,530 2.33% 127,431 5,928,167 22.50% 4,756,564 21.90% 1,171,603 2,128,551 8.08% 2,099,832 9.67% 28,719 405,818 1.54% 407,168 1.87% (1,350) 840,256 3.19% 1,172,337 5.40% (332,081) 201,696 0.76% 199,168 0.92% 2,528	

Factors contributing to material changes in general government revenues from the prior year are provided below:

- 1. Taxes. Tax revenues increased by 28.85% or \$3,629,147 in 1995 over 1994. The large increase was attributed to the franchise in lieu tax of \$4,160,000 from Electric, \$609,000 from Sewer and \$531,400 from Water that were treated as contributions to the general fund and were recorded as operating transfers in 1994. A decrease in property taxes of \$682,529 and increase in accrued sales tax of \$974,896 to fiscal year 1994 as a result of the implementation of GASB 22 (note 1) offset the increase.
- 2. <u>Licenses and permits</u>. The increase of \$127,431 occurred due to a rate increase in business licenses and an increase in construction activity, Business license revenues increased by \$77,376. The remaining increase was from fees for building permits, electrical permits, plumbing permits and mechanical permits.
- 3. <u>Intergovernmental revenue</u>. The increase of \$1,171,603 reflects a credit from the Public Employees Retirement System (PERS) of \$553,476, an increase in reimbursement earnings of \$448,354 for projects financed by the Department of Housing and Urban Development and an increase of allocation from the Transportation Development Fund (TDA) of \$136,519. The PERS credit represents City funds paid into PERS that were determined to be in excess of actuarial requirements.
- 4. <u>Interest and rental income</u>. The decrease of \$332,081 is the result of the decrease in acreage fees.

Expenditures

The following table presents a summary of general fund, special revenue funds, capital project funds, expendable trust funds and debt service fund expenditures for the fiscal year ended June 30,1995, and the increases and decreases in relation to prior year amounts. As discussed below, current expenditures grew \$909,447 or 3.65% in 1995 over 1994.

EXPENDITURES

		1995			19	94	Variance	Variance	
	_	Amount	% of Total	-	Amount	% of Total	by Amount	by Percent	
General Government	\$	4,822,689	21.10%	- \$	4,907,807	21.97%	\$ (85,118)	-1.73%	
Public Protection		10,401,420	45.50%		9,949,056	44.53%	452,364	4.55%	
Public Works		4,381,541	19.17%		4,296,220	19.23%	85,321	1.99%	
Library		956,120	4.18%		881,274	3.94%	74,846	8.49%	
Parks and Recreation		2,299,181	10.05%		2,307,357	10.33%	(8,176)	-0.35%	
	\$	22,860,951	100.00%	\$	22,341,714	100.00%	\$ 519,237	2.32%	
Capital Outlays		2,652,333			2,202,461		449,872	20.43%	
Debt Service		345,498			405,160		(59,662)	-14.73%	
TOTAL	\$	25,858,782		\$	24,949,335		\$ 909,447	3.65%	

Factors contributing to material changes in expenditures from the prior year include:

- 1. <u>Public Protection</u>. An increase of \$452,364 in Public Protection is due to salary increases and reclassification of positions.
- 2 <u>Capital Outlay</u>. An increase of \$449,872 in Capital Outlay expenses can be attributed to the net effect of the City Hall remodel project of \$1,208,951 and a decrease overall in the various projects.

Enterprise Activities

Enterprise funds are used to finance and account for the acquisition, operation and maintenance of City facilities and services that are entirely or predominantly supported by user charges. Enterprise operations are accounted for in such a manner as to show profit or loss as in comparable private enterprises. At June 30, 1995, the city operated five enterprise funds which include electric, sewer, water, Camp Hutchins (child care) and transit. Total fiscal year net income was

\$2,512,946 with fund equity ending at **\$55,566,877**. This represents a **7.24%** increase over fiscal year **1993-94** in total fund equity. Additional enterprise fund financial information can be found in Note **19** of the general purpose financial statements.

Internal Service Activities

Internal service funds are used to account for financing goods or services provided by one department or agency to another on a cost reimbursement basis. At June **30,1995**, the city maintained two internal service funds, one for claims and benefits and one for the City equipment maintenance and motor pool. The total fiscal year **1994-95** net operating loss before transfers was **\$1,324,687** with a retained deficit balance of **\$2,149,952**. Additional information can be found in Note **18** of the general purpose financial statements.

Fiduciary Fund Operations

The City maintains Expendable Trusts Funds to account for and administer bequests for the Hutchins Street Square and the Library. Agency Funds are used to account for and administer the Deferred Compensation and Special Assessment funds.

INDEPENDENT AUDIT

The City Council requires an annual audit of the records and accounts of the City by an independent certified public accountant. The accounting firm of KPMG Peat Marwick LLP was selected to perform this audit. The auditors' report precedes the general purpose financial statements and concludes that the City's general purpose financial statements are presented fairly in all material respects in accordance with generally accepted accounting principles.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) and the California Society of Municipal Society of Municipal Finance Officers (CSMFO) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June **30,1994.** The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the last two years (fiscal years ended June **30**, **1993** and **1994**). We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA and CSMFO.

ACKNOWLEDGMENTS

I would like to thank the staff of the Finance Department, in particular the Accounting staff whose professionalism, dedication and efficiency are responsible for the timely preparation of this report. A special expression of appreciation goes to Ruby Paiste, Acting Accounting Manager and Coriene Wadlow, Acting Accountant, whose support, encouragement and hard work enabled a smooth fiscal year-end closing.

I would also like to thank you for your interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

Vicky Mc Athie
Finance Director

California Society of Municipal Finance Officers

Certificate of Award

Outstanding Financial Reporting 1993-94
Presented to

City of Lodi

This certificate is issued in recognition of meeting professional standards and criteria in reporting which reflect a high level of quality in the annual financial statements and in he underlying accounting system from which he reports were prepared.

February 27, 1995

Chair, Professional & Technical Standards Committee

President

Dedicated to Excellence in Municipal Financial Management

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lodi, California

For its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30,1994

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

The Government Finance Officers Association of the United States and Canada (GFOA)

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lodi for its comprehensive annual financial report for the fiscal year ended June **30,1994**. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

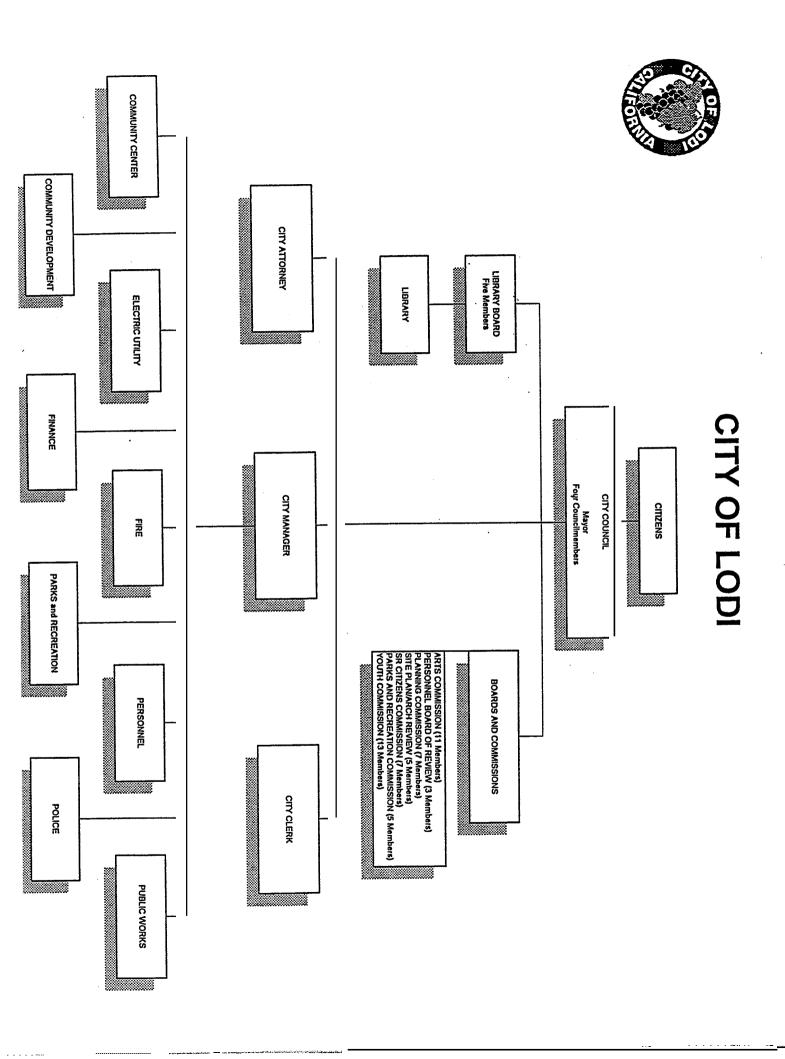
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. **1994** was the second year that the City of Lodi received a Certificate of Achievement. **We** believe our current report continues to conform to the program requirements, and we are submitting it to GFOA.



President

Executive Lirector



DIRECTORY OF OFFICIALS AND ADVISORY BODIES

CITY COUNCIL

Stephen J. Mann
David Warner
Ray G. Davenport
Phillip Pennino
Jack A. Sieglock

Mayor Pro Temp
Council Member
Council Member
Council Member

ADVISORY BODIES

Larry Hansen

Ron Williamson

Library Systems Advisory Board
Council of Governments (COG) Citizens Advisory Committee
Lodi Solid Waste Management Task Force
Lodi Ad Hoc Transportation Committee
Lodi Arts Commission
Site Plan and Architectural Review Committee
Old Lodi Union High School Site Foundation Board
Lodi Senior Citizen's Commission
Gang Task Force
Gang Task Force

PRINCIPAL ADMINISTRATIVE OFFICERS

City Manager Thomas A. Peterson Assistant City Manager Jerry Glenn City Attorney Bob Mc Natt City Clerk Jennifer M. Perrin Librarian Kathleen Andrade Finance Director/Treasurer H. Dixon Flynn Fire Chief Hank Howard Community Center Director Charlene Lange Personnel Director Joanne Narloch Public Works Director Jack Ronsko **Electric Utility Director** Henry Rice Community Development Director James Sch'roeder

Police Chief

Parks & Recreation Director

FINANCIAL REPORTS

GENERAL PURPOSE FINANCIAL STATEMENTS



400 Capitol Mall Sacramento, **CA** 95814

Independent Auditors' Report

The Honorable Members of City Council City of Lodi, California:

We have audited the general purpose financial statements of the City of Lodi, California, as of and for the year ended June 30, 1995, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the management of the City of Lodi, California. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Lodi, California, as of June 30, **1995**, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

As further described in the notes to the general purpose financial statements, the City adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 22, Accounting for Taxpayer-Assessed Tax Revenues in Governmental Funds (note 1).

In accordance with *Government Accounting Standards*, we have also issued a report dated October 13, **1995**, on our consideration of the City's internal control structure and a report dated October **13**, **1995**, on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying supplemental financial statements and Schedule of Federal Financial Assistance listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Lodi, California. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole. The information contained in the statistical section has not been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, accordingly, we express no opinion thereon.

KORD Pear Marrick LLP

October 13,1995

CITY OF LODI COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS June 30,1995

		Governmental Fund Type			Proprietary	Fiduciary oprietaryFundType FundType			Account Groups		
Assets and Other Debits	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	Total (Memorandum Only)	
Cash and investments (note 3) Receivables:	\$ 3,885,767	5,488,397	260,298	3,795,720	13,967,908	1,616,925	12,274,104		:	\$ 41,289,199	
Accounts Property taxes (note 4) Special assessments Water loan (note 5)	1,196,904 26,359	459,030	2.181 35,000	123.666 4,651	2,775,259 3,936,191	188	152			4,555,401 33,191 35,000 3,936,191	
Interest Due from other funds or	67,170	53.807	535	42,857	212,530	27,802	3,171			407,872	
governmental agencies (note 9) Inventory Deferredfinancing costs	59,631 33.650	245,443		166,562	681,463 967,966 252,264	11,033 75,047				1,364,352 1,076,663 252,264	
Other assets Fixedassets (note 6) Other debits: Amount to be provided for general	8,235				2,345 50,019,525	131,192	641	45,505,527		11,421 95,656,244	
long-termdebt obligations Amounts available in debt service								45.505.505	4.552.805 263,014	4,552,805 263,014	
Total assets and other debits	\$ <u>5,277,916</u>	6,246,677 ,	298,014	4,133,678	<u>, 73,015,451</u>	1,862,187	12,276,348	45,505,527	4,815,619	153,433,617	

(continued on next page)

CITY OF LODI COMBINED BALANCE SHEET-ALL FUND TYPES AND ACCOUNT GROUPS -continued June 30,1995

		Governmenta	al Fund Type		Proprietary	- Fund Type	Fiduciary FundType	Account General	Groups General	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	Flxed Assets	Long-Term Obligations	Total (Memorandum Only)
Liabilities, Fund Equity and Other Credits				,			<u> </u>			7,
Liabilities:										
Accounts payable and other liabilities	\$ 477,969 507,506	253,713 119		28,306	890,702 158,373	95,760 9,256	392,259			\$, 2,138,709 673,254
Accrued salarles and wages Accrued interest	507,506	119			358,684	9,230				358,684
Due to other funds (note 9)		161,640		173,003	164,278	11,033			4 000 070	509,954
Accrued compensated absences (note 8) Deferredcompensation benefits payable (note 13)	300,000				930,266		11,519,999		4,068,678	5,296,944 11,519,999
Deferred revenue \(\)			35.000		16,248		, ,			51,248
Self-insurance reserve (notes 15 and 17) Capitalized lease obligations (note 8)						3,764,898			299,141	3,764,898 299.141
Certificates of participation payable,									,	
net of discount (note 8) Water loan payable (note 5)					10,174,023 4,758,000					10,174,023 4,758,000
General obligation bonds payable (note 8)					.,. 00,000				290.000	290,000
Special assessment district bonds payable,									160.000	180.000
with governmental commitment (note 8) Total (iablilities	1,285,475	415,472	35,000	201,309	17,448,574	3,880,947	11,912,258		4,815,819	39,994,854
For d For the s										
Fund Equity: Contributedcapital (notes 10 and 20)					1,299,212	131,192				1,430,404
Investment Ingeneral fixed assets					54,267,665	(2.440.052)		45,505,527		45,505,527 52,117,713
Retained earnings (deficit) (notes 10 and 18) Fundbalances: (note 10)					54,267,665	(2,149,952)				52,117,713
Reserved for library	242,795									242,795
Reservedfor encumbrances Reservedfor inventory	159,438 33.850	165,792		470,937						796,185 33,650
Unreserved-designated	16,385	5,665,413	263,014	3,461,432			366.090			9,772.334
Unreserved	3,540,175 3,992,441	5,831,205	263,014	3,932,369	55,566,877	(2,018,760)	366,090	45,505,527		3,540,175 113,438,763
Total fund equity (deficit) and other credits Commitments and contingent liabilities	0,002,441	0,001,200	200,017	3,302,003	00,000,011	(2,010,100)	000,000	70,000,021		113,430,703
(notes 7,17and 21)	\$ -5,277,916	6,246,677	298,014	4,133,678	73,015,451	1,862,187	12,278,348	45,505,527	4,815,819-	\$ 153,433,817
Total liabilities. fund equity and other credits			200,017	1,100,010	70,010,401	1,002,107	. 2,2,0,0,0		-,010,010	100,700,017

COMBINED STATEMENT OF REVENUES, EXPENDITURESAND CHANGES IN FUND BALANCES ALL GOVERNMENTALFUND TYPES AND EXPENDABLE TRUST FUNDS Year ended June 30,1995

			Governmentali	FundType		Fiduciary FundType		
	_		Special	Debt	Capilel	Expendable		Total
		General	Revenue	Service	Projects	Trust	(<u>M</u> e	morandum Only
Revenues:								
Taxes	\$	14,952,724	468.435	176,539	611,114		\$	16,208,812
Licenses end permits		633,961						633,961
Intergovernmentalrevenues		2,752,171	3,175,996					5,928,167
Chargesfor services		421,745	463,554		1,243,252			2,128,551
Fines, forfeits end penalties		405.818						405,818
Interest and rental income		393.118	239.565	2,512	172.860	32,201		840.256
Miscellaneousrevenue		130,710	70,986				_	201,696
Tolal revenues	_	19,690,247	4,418,536	179,051	2,027,226	32,201	_	26,347,261
Expenditures:								
Current:								
Generalgovernment		, 4,822,669						4,822,689
Publicprotection		10,274,500	126,920					10,401,420
Publicworks		3,628,448	753,093					4,381,541
Library		956,120						956,120
Perks and recreation		2,299,181						2,299,181
Capital outlay		148,148	676,232		1,827,953			2,652,333
Debt service:								
Interest end fiscal charges				35,498				35,498
Principal payments				310,000			_	310,000
. Total expenditures		22,129,086	1,556,245	345,498	1,827,953		_	25,858,782
Excess (deficiency) of revenues over (under) expenditures		(2,438,839)	2,862,291	(166,447)	199,273	32,201		488,479
Other financing sources (uses): ,		0.770.004	0.000 547	474.000	0.504.074			
Operating transfers in (nole 11)		3,779,891	2,086,547	174,933	2,534,074	602		8,576,047
Operating transfers out (note 11)		(1,536,326)	(3,614,813)		(2,566,200)	(4,950)		(7,722,289)
Capitallease proceeds	_	148.148	(4 500 000)	474,000	(00.400)		_	148,148
Total olher financing sources (uses)		2,391,713	(1,528,266)	174,933	(32,126)	(4,348)	_	1,001,906
Excess (deficiency) of revenues and other financing sources								
over (under) expendilures and other financing uses		(47,126)	1,334,025	8,466	167,147	27,853		1,490,385
Fundbalance. June 30, 1994, as restated (noie 1)	_	4,039,567	4,497,180	254,528	3,765,222	338.237	_	12,894,734
Fund balance. June 30,1995	\$ _	3,992,441	5,831,205	263,014	3,932,369	368,090	\$ _	14,385,119

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL • GENERAL AND SPECIAL REVENUE FUNDS

Year ended June 30,1995

		GeneralFund		Special Revenue Funds			Tolal (Memorandum Only)			
	Revised Budget	Aclual	Variance Favorable (Unfavorable)	Revised Budget	Aclual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:										
Taxes	\$ 14,956,900	14,952,724	(4,176)	507,200	468,435	(38,765)	15,464,100	15,421,159	\$ (42,941)	
Licenses and permits	445,600	633,961	188,361				445,600	633,961	188,361	
Inlergovernmenlalrevenues	2,092,000	2,752,171	660,171	3,426,277	3,175,996	(250,281)	5,518,277	5,928,167	409,890	
Charges for services	718.031	421,745	(296.286)	518,000	463,554	(54,446)	1,236,031	885.299	(350,732)	
Fines, forfelts endpenalties	380.400	405,818	25,418				380,400	405,818	25,418	
Interest and rental income	680,500	393,118	(287,382)	121,250	239,565	118,315	801,750	632,683	(169.087)	
Miscellaneous revenue	250,300	130,710	(119,590)		70.986	70,986	250,300	201.696	(48,604)	
Totalrevenue	19,523.731	19,690,247	166,516	4,572,727	4,418,536	. (154,191)	24,096,458	24,108,783	12,325	
Expendilures:										
Cunenl:										
Generalgovernment	5,048,055	4,822,689	225,366				5,048,055	4,822,689	225,365	
Publicprotection	10,444,526	10,274,500	170,026	145,393	126,920	18,473	10,589,919	10,401,420	188.499	
Publicworks	3,835,461	3,628,448	207,013	1,286,962	753,093	533.869	5,122,423	4,381,541	740.882	
Library	1,015,878	956,120	59.758				1,015,878	956,120	59,758	
Parks and recreation	2,443,312	2,299,181	144,131				2,443,312	2,299,181	144.131	
Capilaloutlay	148,148	148,148		4,320,215	676.232	3,643,983	4,468,363	824,380	3,643,983	
Tolal expenditures	22,935,380	22,129,086	806.294	5,752,570	1,556,245	4,196,325	28,687,950	23,685,331	5,002,619	
Excess (deficiency) of revenues over (under) expendilures	(3.41 1,649)	(2,438,839)	972,810	(1,179,843)	2,862,291	4,042,134	(4,591,492)	423,452	5,014,944	
Other financing sources (uses):										
Operating transfers in	3,779,891	3,779.891		2,086,547	2,086,547		5,866,438	5,866,438		
Operalingtransfers oul	(1,536,326)	(1,536,326)		(3,614,813)	(3,614,813)		(5,151,139)	(5,151,139)		
Capilallease proceeds	148,148	148,148					148.148	148,148		
Total olher financing sources (uses)	2,391,713	2,391,713		(1,528,266)	(1,528,266)		863,447	663.447		
Excess (deficiency) of revenues and olher financing sources over (under) expandilures		(
and olher financinguses	(1,019,936)	(47,126)	972,810	(2,708,109)	1,334,025	4,042,134	(3,728,045)	1,286,899	5,014,944	
Fund balance. June 30, 1994, as restated (note 1)	4,039,567	4,039,567		4,497,180	4,497,180		8,536,747	8,536,747		
Fund balance, June 30,1995	\$ 3,019,631	3,992,441	972,810	1,789,071	5,831,205	4,042,134	4,808,702	9,823,646	\$ 5,014,944	

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY ALL PROPRIETARY FUND N P E S

Year ended June 30,1995

<u>-</u>	Enterprise	Internal Service	Total (MemorandumOnly)
Operaling revenues:			
Chargesfor services \$_	40,587,961	3,443,428	\$ 44,031,389
Operalingexpenses:			
Personalservices	4,956,725	586,703	5,543,428
Supplies, materials end services	7,558,144	3,741,323	■ 1,299,467
Utilities	24,841,734	479	24,842,213
Depreciation and amortization	1,564,055	15.822	1,579,877
Claims payments		590,259	590,259
Total operating expenses	38,920,658	4,934,586	43,855,244
Operating income (loss)	1,667,303	(1,491,158)	176.145
Nonoperating revenues (expenses):			
Sewer bondtaxes	186,361		186,361
Interest revenue (expenses), net	73,312	91.621	164,933
Rent	164,267		164,267
Other, net	2,122,320	74,850	2,197,170
Total nonoperating revenues	2,546,260	166,471	2,712,731
Income (loss) before operating transfers	4,213,563	(1,324,687)	2,888,876
Operatingtransfers in (nole 11)	1,594,830	846.860	2,441,690
Operatingtransfers out (note 11)	(3,295,447)		(3,295,447)
Tolal operating transfers	(1,700,617)	846.860	(853,757)
Net income (loss)	2,512,946	(477,827)	2,035,119
Add: Deprecialion on contributed assets	113,545	15,822	129.367
Net Increase (decrease) to retained earnings	2,626,491	(462.005)	2,164,486
Retained earnings (deficit), June 30,1994, as restated (note 1)	51,641,173	(1,687,947)	49,953,226
Retainedearnings (deficit), June 30,1995	54,267,665	(2,149,952)	52,117,713
Contributed capital, June 30, 1994, as restated (note 20)	1,079,002	151,677	1,230,679
Depreciation on contributed assets	(113,545)	(15,822)	(129,367)
Contributed assets	333,755	(4,663)	329,092
Confribuledcapital, June 30, 1995	1,299,212	131,192	1,430,404
Totalfundequity (deficit), June 30, 1995 (nole 18)	55,566,877	(2,018,760)	\$ 53,548,117

CITY OF LODI COMBINEDSTATEMENT OF CASH FLOWS PROPRIETARY FUNDTYPES

		Enterprise	Internal Service		
Cash flows from operating activities:				_	
Operating Income (loss):	\$	1,667,303	(1,491,158)	\$	176,145
Adjustments to reconcile operating Income (loss) to					
net cash provided by (used in) operating activities:					
Deprecialion and amortiration		1,564,055	15,822		1,579,877
Changes In assets and liabilities:		44.000			
Decrease In water loan recelvable		41,082	400		41,082
Increase In accounts receivable		(226,637)	(63)		(226,700)
Decrease In property taxes receivable		34,926	(0.574)		34,926
Increase in Interestrecelvable		(53,600)	(2,571)		(56,171)
(Increase) decrease In due from other funds		(340,350)	10,976		(329.374)
Decrease (Increase) in Inventory		654,046	(21,148)		632,898
Decrease In other assets		33,483	28.732		33,483
(Decrease) Increase In accounts payable and other liabilities		(147,720)			(118,988)
Increase in accrued salaries and wages Decrease In accrued Interest		39,234 (3,728)	338		39,572 (3,728)
Decrease in accorded interest Decrease in due to other funds		(3,726) (44,640)	(10,976)		(5,726) (55,616)
Increase in accrued compensated absences		79.938	(10,976)		79,938
Increase in accided compensated absences		16,248			16,248
Decrease in self-insurancereserve		10,240	(44,635)		(44,635)
Net cash provided by (used in) operating activities	_	3,313,640	(1,514,683)		1,798,957
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Cash flows from noncapital flnancing activities:					
Operatingtransfers in		1,594,830	846,860		2,441,690
Operating iransfers out		(3,295,447)			(3,295,447)
Other cash flows from noncapital activities	_	2,357,000	74,850_		2,431,850
Net cash (used in) provided by non-capital financing activities		656,383	921.710		1,578,093
Cashflows from capitalfinancing activities:					
Acquisition and construction of capital assets (net)		(2,648,650)			(2,648,650)
Principal payments- Certificates of Participation long-term		(110,000)			(110,000)
Interest payments Certificates of Participation/water loan		(735,620)			(735,620)
Sewer bond taxes-general obligation bonds		186,361			186,361
Capital contributed		326,434			326,434
Net cash used Incapital financing activities	_	(2,981,475)			(2,981,475)
Cashflows from Investingactivities:					
Rent of City properly		164,262			164,262
Interest on Investments		808,932	91,621		900,553
Net cash provided by Investing activities	_	973.194	91,621	_	1,064,815
Net cash provided by investing activities	_	373.134	31,021		1,004,010
Net Increase In cash and cash equivalents		1,961,742	(501,352)		1,460,390
Cash and cash equivalents at begInning of year	_	12,006,166	2,118,277		14,124,443
Cash end cash equivalents at end of year	\$_	13,967,908	1,616,925	\$	15,584,833

Notes to General Purpose Financial Statements .

June 30, **1995**

(1) Sumniary of Significant Accounting Policies

The City of Lodi (City) was incorporated on December 6, 1906, as a municipal corporation under the General Laws of the State of California. The City operates under a Council-Manager form of government and provides the following services: general government, public works, public protection (police and fire), library, parks and recreation.

The accounting policies of the City conform **to** generally accepted accounting principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental accounting and financial reporting principles.

The following is a summary of the more significant policies:

(a) Reporting Entity

The City of Lodi is governed by an elected five member council. As required by GAAP, these financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. The component unit, although a legally separate entity, is, in substance, part of the City's operations and therefore, its activities are blended with data of the City. The City has no discretely presented component units, which would be reported in a separate column in the accompanying combined financial statements.

The blended component unit of the City is as follows:

The Lodi Public Improvement Corporation (LPIC) was formed on April 26, 1988 for the purpose of rendering financial assistance to the City in the issuance of the 1988 Certificates of Participation (refunded by the issuance of the 1991 Certificates of Participation) to finance the expansion of the City's White Slough Pollution Control Facility. The City Council constitutes the Board of Directors of LPIC. The funds of LPIC have been included in the Enterprise (Sewer) fund in the accompanying general purpose financial statements.

(b) Basis of Presentation - Fund Accounting

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, **fund** equity, revenues and expenditures or expenses as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activity are controlled. The various funds are summarized by type in the general

Notes to General Purpose Financial Statements (continued)

June 30,1995

purpose financial statements. The following fund types and account groups are used by the City:

Governmental Fund Types

Governmental Funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position, rather than upon net income determination. The following are the City's governmental fund types:

<u>General Fund</u>: The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

<u>Special Revenue Funds</u>: Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

<u>Debt Service Fund</u>: The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs,

<u>Capital Projects Funds</u>: The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Proprietary Fund Types

Proprietary Funds are used to account for the City's on-going organizations and activities which are similar to those often found in the private sector. The measurement focus is upon determination of net income and capital maintenance. The following are the City's proprietary fund types:

Enterprise Funds: Enterprise Funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises - where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues.earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Enterprise funds have been established for Camp Hutchins and the Electric, Water, Sewer and Transit Divisions of the City.

Notes to General Purpose Financial Statements (continued)

June 30, 1995

<u>Internal Service Funds</u>: Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City or to other governmental units, on a cost-reimbursement basis. Internal Service Funds have been established for the City's Claims and Benefits and Equipment Maintenance and Motor Pool.

Fiduciary Fund Types

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

<u>Agency Funds</u>: Agency funds are usedprincipally to account for collection of bond proceeds with no governmental obligation and payment of related bond principal and interest. Agency funds are custodial in nature and do not involve measurement of results of operations.

Expendable Trust Funds are used primarily to account for funds held by the governmental unit in a trustee capacity for individuals, private organizations, other governmental units and/or other funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds.

Account Groups

Account groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term debt. The following are the City's account groups:

General Fixed Assets Account Group: This account group is established to account for fixed assets of the City, other than those accounted for in the proprietary funds.

<u>General Long-Term Debt Account Group</u>: This account group is established to account for all long-term obligations of the City except those accounted for in the proprietary funds.

(c) Basis of Accounting

Governmental fund types are accounted for by using the modified accrual basis of accounting and the flow of current financial resources measurement focus. Revenues are recorded when they become both measurable and available. Revenues not considered available are recorded as deferred revenues. Expenditures are recorded when the liability is incurred, except for (a) unmatured interest on general long-term obligations which are recorded when due;

Notes to General Purpose Financial Statements (continued)

June 30, 1995

and (b) the noncurrent portion of accrued vacation and sick leave, which is recorded in the General Long-term Debt Account Group,

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual funds are used as guidelines. There are, however, essentially two types of revenues. In one, moneys must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures incurred. In the other, moneys are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Property taxes are recognized as revenue in the year for which taxes have been levied, provided they are collected within 60 days after year end, Special assessments are recorded as revenue in the year the individual installments are due.

The City has adopted the provisions of GASB Statement No. 22 (GASB 22) Accounting for Taxpayer Assessed Tax Revenues in Governmental Funds as it relates to sales tax revenues collected by the State on behalf of the City. Under this new standard, sales tax revenues are recorded using the modified accrual basis of accounting, Prior to adoption of GASB 22, sales tax revenues were accounted for as received. The cumulative effect of applying this Statement has been reported retroactively as a restatement of fund balance at June 30, 1994 in the accompanying financial statements in the amount of \$974,896.

Licenses and permits, charges for services, fines and forfeitures and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash since they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Proprietary fund types are accounted for by using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the liability is incurred. Unbilled service revenue is accrued in proprietary funds.

Fiduciary fund types are accounted for according to the nature of the fund. The City has Agency type funds which are purely custodial in nature (assets equal liabilities) and thus do not involve measurement of results of operations. In addition, the City has Expendable Trust funds which are accounted for in the same manner as are other governmental funds. All of these funds are accounted for on the modified accrual basis of accounting.

(d) Government Accounting Standards Board Statement No. 20 (GASB 20)

The City has elected under GASB 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, to not apply all Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989. As

Notes to General Purpose Financial Statements (continued)

June 30,1995

required under GASB 20, the City will continue to apply all applicable GASB pronouncements as well as Statements of Interpretations of FASB, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements.

(e) Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded to reserve that portion of the applicable appropriation, is employed in the governmental funds. Open encumbrances are reported as reservations of fund balances since the commitments will be honored through subsequent years' budget appropriations. Amounts encumbered at year-end are reappropriated in the following year. Encumbrances do not constitute expenditures or liabilities.

(f) Cash and Investments

The City maintains a cash and investment pool that is available for all funds of the City for the purpose of increasing interest earnings through investment activities. Each fund's portion of this pool is shown on the combined balance sheet as "cash and investments". Interest earned on the pooled investments is allocated to various funds based on quarter end cash balances in accordance with California code section **53647**. Investments are stated at cost or amortized cost (which approximates market) with the exception of deferred compensation investments which are recorded at market.

(g) Inventory

General fund inventories are recorded **at** cost and expensed when consumed rather than when purchased. For the Proprietary fund types, inventories are recorded at cost using a method which approximates first in first out (FIFO) and expense is recognized when inventories are consumed in operations.

(h) General Fixed Assets

General fixed assets purchased are recorded as expenditures in the governmental funds and capitalized at cost in the General Fixed Assets Account Group. Capital leases for buildings, improvements and equipment are recorded in the General Fixed Asset Account Group and capital lease payable is recorded in the General Long-term Debt Account Group. Contributed fixed assets are recorded at estimated fair market value at the time received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset useful lives are not capitalized.

Improvements considered to be infrastructure such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized as these assets are normally immovable and of value only **to** the City. Therefore, the purpose of stewardship for capital expenditures is

June 30,1995

satisfied without recording these assets. Depreciation has not been provided on general fixed assets, nor has interest been capitalized.

(i) Fixed Assets * Proprietary Fund Types

Fixed assets owned by the Proprietary Funds are stated at cost. Contributed fixed assets are recorded at estimated fair market value at the time received. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

	<u>Years</u>
Buildings and improvements	3 - 40
Machinery and equipment	2-40
Vehicles .	<i>5 -</i> 15

Depreciation recognized on contributed fixed assets is charged to contributed capital.

(j) Compensated Absences/Vacation and Sick Leave

Noncurrent accumulated vacation and vested sick leave benefits for governmental funds are recorded in the General Long-Term Debt Account Group as a liability and also as an amount to be provided by future operations. The amount to be provided by future operations represents the total amount that would be required to be provided from the general operating revenues of the City if all the benefits were to be paid. The current portion, the amount expected to be paid in the next twelve months, is recorded as a liability of the responsible governmental fund.

Enterprise Funds record vacation and sick leave as an expense and liability when earned by employees.

(k) Self-Insurance

The City is self-insured for general liability, workers' compensation, dental benefits, chiropractic, unemployment and long-term disability. Various City funds are charged premiums for the City's self-insurance reserve, which is accounted for as an internal service fund. The accrued liability for estimated self insured claims represents an estimate of the eventual loss on claims arising prior to year end including claims incurred but not reported.

June 30, 1995

(l) Total (Memorandum Only) Columns

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Such data are not comparable to a consolidation since interfind eliminations have not been made.

(m) Statement of Cash Flows

For purposes of reporting cash **flows**, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased and investments maintained in the pool to be cash equivalents.

(n) Reclassifications

Certain 1994 amounts have been reclassified to conform to the financial statement presentation for the 1995 fiscal year.

The City has determined that fees collected and remitted for refuse services (Sanitation) to the refuse contractor are more appropriately reported as net franchise fee revenue instead of gross revenue and expenditure of the City. Accordingly, revenue and expenditures, and related accounts receivable and accounts payable balances, have been reduced for the prior year to match the current year's presentation.

The annual contributions from the Electric, Sewer and Water Funds to the General Fund were budgeted and recorded as in-lieu taxes in the current year. These contributions were recorded as operating transfers in the prior year.

(o) Fund Equity Restatement

Certain operations of the City have been reclassified between finds through residual equity transfers. The **1994** fiscal year operating statements of these funds have been restated in the accompanying general purpose financial statement to conform to the **1995** fiscal year presentation. The effect on the fund balance and retained earnings at June **30**, **1994** are as follows:

June **30,1995**

	Spe	ecial Revenue Fund	Cap	oital Projects Fund	Enterprise Fund	
Fund balances/retained earnings at June 30 , 1994 , as previously reported		5,243,730	\$	3,620,854	\$5 1	1,038,990
Residual equity transfers:						
- from Gas Tax Fund		(1,008,460)				
to Streets Fund		1,008,460				
- from Development Impact Mitigation Fund		(2,481,640)				
to Streets, Capital Outlay Reserve, Sewer and						
Water Funds		1,348,201		1,013,558		119,883
 from Master Storm Drain Fund 				(869,190)		
to Streets Fund		869,190				
 from Transportation Fund 		(1,672,286)				
to Streets and Transit Funds		1,189,985				482,300
Total transfers	\$	(746,550)	\$	144,368	\$	602,183
Fund balances/retained earnings at June 30, 1994,						
as restated	\$	4,497,180	<u>\$</u>	3,765,222	\$5 ′	1,641,173

Operations of the Gas tax Fund previously reported in the Special Revenue Fund are reported as activities of the Streets Special Revenue Fund.

Operations of the Development Impact Mitigation Fees Fund previously reported in the Special Revenue Fund are reported as activities of the Streets Special Revenue Fund, Capital Outlay Reserve Capital Projects Fund, and Sewer and Water Enterprise Funds.

Operations of the Master Storm Drain Fund previously reported in the Capital Projects Fund are reported as activities of the Streets Special Revenue Fund.

Certain operations of the Transportation fund previously reported in the Special Revenue Fund are reported as activities of the Streets Special Revenue Fund are reported as activities of the Streets Special Revenue Fund and Transit Enterprise.

June 30.1995

(2) Budgetary Data

The City adopts an annual budget for the general and special revenue funds. These budgets are prepared on a generally accepted accounting principles basis. As part of the City's internal control structure, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with the legal provisions embodied in the annual appropriated budget approved by the City Council. The accompanying financial statements present budget and actual data only of funds for which an annual budget was adopted. The budgets of capital projects are primarily "long-term" budgets which emphasize the major programs and capital project plans extending over a number of years. Due to the long-term nature of these projects, "annual" budget and actual comparisons are not considered meaningful. Formal budgetary integration is not employed for Debt Service Funds since effective budgetary control is alternatively achieved through the bond indenture provisions. Accordingly, no budgetary information is included in the accompanying general purpose financial statements for capital project and debt service funds.

The City Council follows the following procedures in establishing the budgetary data reflected in the accompanying general purpose financial statements:

On or prior to the first regular Council meeting in June of each year, the City Manager submits to the City Council a proposed Financial Plan and Budget for the fiscal year commencing July 1. The budget includes proposed expenditures and the means of financing them.

Public hearings are conducted during meetings of the City Council to obtain citizens' comments.

Prior to July 1, the budget is legally enacted through passage of an ordinance.

Budgeted revenues are adopted by the City Council at the time the budget is approved. Budgeted revenues are modified when the tax base changes, when fees are modified or when new revenue sources are identified.

Budgeted expenditures represent original appropriations adjusted by budget transfers and appropriation amendments. The legal level of budgetary control (that is, the level at which expenditures can not legally exceed the appropriated amount) is at the department level. The operating budget is prepared and controlled at the department level (e.g., city clerk, city manager, etc.) for the General Fund. Special revenue fund expenditures, including transfers out, are approved by Council at the fund level. The City Manager may transfer appropriations from one activity to another within a department without approval from the City Council. All other appropriation adjustments during the year, whether transfers, increases or decreases, require City Council approval.

Appropriations lapse at the close of the fiscal year to the extent that they have not been expended or encumbered.

Notes to General Purpose Financial Statements (continued)

June 30,1995

(3) Cash and Investments

The following is a detail summary of cash and investments at June 30, 1995:

Pooled cash and investments:		
Demand deposits	\$	6,380,880
Certificates of deposit		1,889,000
Investments		21,442,235
Total pooled cash and investments	-	29,712,115
Deferred compensation:		
Pooled investments		11,519,999
Library Private Sector Fund:		
Shares of stocks		57,085
	_	
Total cash and investments	\$_	41,289,199

(a) Cash

The City's **demand** deposits and certificates of deposit at year end are covered by either federal depository insurance or by collateral held by the custodial bank. Collateral pool of the custodial bank is equal to 110% of the uninsured deposits.

(b) Investments

The City has adopted an investment policy pursuant to Government Code Section 53601 which authorizes the City to invest in obligations of the U.S. Treasury, agencies and instrumentalities, commercial paper rated A-1 by Standard & Poor's or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase agreements, mutual funds and the State of California Local Agency Investment Fund (LAIF). The City is also authorized to enter into reverse repurchase agreements. The deferred compensation plan funds are also authorized to be invested in corporate bonds rated **AA** or better by Moody's Bond Ratings or **AA** or better by Standard and Poor's. The City selects its investments based on safety, liquidity and yield. At no time during the year did the City borrow funds through the use of reverse repurchase agreements.

Notes to General Purpose Financial Statements (continued)

June 30, 1995

(c) Custodial Credit Risk, Carrying Amount and Market Value of Cash and Investments

In accordance with GASB 3, cash and investments are classified as to custodial credit risk by three categories as follows:

Cash:

Category 1

Insured or collateralized with securities held by the City or by its agent in the City's name;

Category 2

Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name;

Category 3

Uncollateralized. (Includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City's name.)

Investments:

Category 1

Insured or registered, or securities held by the City or its agent in the City's name;

Category 2

Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name;

Category 3

Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

June **30, 1995**

Cash and investments of the City as of June 30, 1995 are summarized below:

		Category		Not Subject	Carrying		Market	
	_	1	2	3	to Categorization	Amount		Value
Deposits:							_	
Demand deposits	\$	300,000		6,080,880		6,380,880	\$	6,380,880
Certificates of deposit	_	599,000		1,290,000		1,889,000		1,889,000
Total deposits	_	899,000		7,370,880		8,269,880		8,269,880
Pooled investments:								
U.S.Treasury Notes Federal Agency Issues		2,987,634				2,987,634		2,966,880
Federal Home Loan Mortgage State of California		999,844				999,844		997,500
Local Agency Investment Fund (LAIF)	_				17,454,757	17,454,757	_	17,454,757
Total pooled investments		3,987,478		_	17,454,757	21,442,235		21,419,137
Deferred compensation					11,519,999	11,519,999		11,519,999
Investments held in trust:								
Shares of stocks	-	57,085				57,085	_	181,031
Total cash and investments	\$_	4,943,563		7,370,880	28,974,756	41,289,199	\$_	41,390,047

The risk level indicated above is generally reflective of the risk assumed by the City during the year ended June 30, 1995.

The LAIF is a special fund of the California State Treasury through which local governments pool investments. Each governmental agency may invest up to \$20,000,000 per account in LAIF. The City maintains two LAIF accounts. Investments in LAIF are highly liquid, as deposits can be converted into cash within twenty hours without loss of interest. Investments in LAIF are secured by the full faith and credit of the State of California.

Information is not available to the City to assess the amount of LAIF and deferred compensation invested by trustees in derivatives.

Notes to General Purpose Financial Statements (continued)

June 30,1995

(4) Property Taxes

San Joaquin County is responsible for assessing, collecting and distributing property taxes in accordance with enabling legislation. Revenue received is based on an allocation factor calculated by the County under the provisions of Proposition 13 plus a percentage of the increase in market value in specific areas. The City's property tax is liened based on the assessed value listed as of the prior March 1st for all real and personal property located in the City. Property sold after the assessment date (March 1st) is reassessed and the amount of property tax assessed is prorated. The assessed value at March 1, 1994, upon which the 1995 levy was based, was \$2,471,754,000.

Secured property taxes are levied on October 1 and are due in two installments on November 1 and February 1. The tax becomes delinquent on December 10 and April 10, respectively. Unsecured properly tax is levied on July 1, due on July 31 and becomes delinquent on August 31.

Property taxes levied for the year ended June 30, 1995 are recorded as receivables, net of estimated uncollectible amounts. Property taxes paid to the City by the County within 60 days of the fiscal year end are considered "available", and are, therefore, recognized as revenue. The remaining uncollected balance will be recorded as revenue when received,

(5) Water Loan Receivable/Payable

California Safe Drinking Water Bond Note Payable

The City entered into a \$4,758,000 contract on October 16, 1991 with the State of California Department of Water Resources to assist the City in financing the construction of water wells enabling the City to meet safe drinking water standards established by the State. The bonds are secured by the project and a pledge of user fees collected by the Water Enterprise Fund. During fiscal year 1995, the contract was amended to require the first loan payment to begin on October 1, 1996. Semiannual payments of \$173,313, including interest at **3.4%** are payable each October 1 and April 1 through 2015. Interest payments are made on the amount reimbursed from loan proceeds.

Loan receivable available to City	\$ 3,936,191
Amount reimbursed from loan proceeds	<u>821,809</u>
Loan payable to State of California Department of Water Resources	\$ 4,758,000

June 30, 1995

(6) Fixed Assets

Fixed assets owned by the City ate either recorded in the General Fixed Assets Account Group or in the Proprietary Fund types. Activity for the year ended June 30, 1995, consists of the following:

_]	Beginning					Ending
		Balance	Additions	Retirements	Transfers		Balance
General Fixed Asset Account Group							
Land \$	\$	16,469,241				\$	16,469,241
Buildings and improvements		22,801,577	232,046				23,033,623
Machinery and equipment		2,148,969	374,274	(36,996)	(9,383)		2,476,864
Vehicles		2,499,245	469,168		(287,343)		2,681,070
Construction in progress		232,046	138,705	(232,046)			138,705
Capital lease assets		722,862	124,725	(14 1,563)			706,024
Total \$	\$	44,873,940	1,338,918	(410,605)	(296,726)	\$	45,505,527
Enterprise Funds						_	
Land	\$	4,725,287				\$	4,725,287
Buildings and improvements		22,989,3 18					22,989,3 18
Machinery and equipment		35,862,018	,486,216		14,046		37,362,280
Construction in progress		204,191	943,096				1,147,287
Vehicles		1,778,901	332,492	105,841)	287,343		2,292,895
Subtotal		65,559,7 15	2,761,804	105,841)	301,389		68,517,067
Less accumulated depreciation		(16,964,563)	(1,564,055)	31,076			(18,497,542)
Net enterprise fbnds fixed assets	\$	48,595,152	1,197,749	(74,765)	301,389	\$	50,019,525
Internal Service Fund						_	
Buildings and improvements	\$	57,889				\$	57,889
Machinery and equipment		62,731			(4,663)		58,068
Vehicles		47,812			•		47,812
Subtotal		168,432			(4,663)	_	163,769
Less accumulated depreciation		(16,755)	(15,822)				(32,577)
*	\$ <u></u>	151,677	(15,822),		(4,663)	\$_	131,192

Notes to General Purpose Financial Statements (continued)

June **30, 1995**

(7) Operating Leases

The City is obligated under various operating leases for the use of buildings and office space. Future minimum lease payments required by lease agreements that have initial or remaining noncancellable lease terms of one year or more as of June 30, **1995** are as follows:

Fiscal Years Ending		
1996	\$	109,493
1997		82,893
1998		82,893
1999		82,893
2000		64,893
thereafter	_	129,787
Total minimum lease payments required		
under operating leases	\$_	552,852
	_	

June 30, 1995

${\bf (8)} \qquad {\bf Long\text{-}Term\ Obligations\ and\ Capitalized\ Lease\ Obligations}$

The following is a summary of debt transactions of the City for the year ended June 30, 1995:

	Interest Rates		- June 30,1994	Additions	Retirements	June 30,1995
General long-term obligation account group: Compensated absences		\$_	3,637,283	429,395		\$ 4,066,678
General obligation bonds: 1965 Municipal Improvement Bonds Series A	3.50 - 4.30%	_	570,000		280,000	290,000
Special assessment district bonds with governmental commitment Lodi United Downtown	8.75 - 9.90%	_	190,000		30,000	160,000
Capitalized lease obligations: IBM Corporation IBM Corporation IEM Corporation Emergency One Farmers and Merchants Bank LaSalle Financial	7.72% 7.44% 7.40% 7.49% 5.75% 5.81%	_	15,717 28,338 24,451 120,311 114,366 303,183	99,898 48,250 148,148	15,717 28,338 14,161 57,984 35,990 152,190	110,188 62,327 48,250 78,376 299,141
Total General long-term obligations account group		\$_	4,700,466	577,543	462,190	\$ 4,815,819
Enterprise Funds: Certificates of participation, net of \$455,977 discount	4.50 - 6.60%	\$_	10,269,548		95,525	\$ 10,174,023

June **30,1995**

Long-term debt payable at June **30**, **1995** is comprised of the following individual issues:

1965 Municipal Improvement Bonds - Series A -

These bonds were issued on October 1, 1965 to finance the construction of sewer and drainage facilities and a public safety building. The bonds are secured by a pledge of property tax revenues. Annual principal payments, with semiannual interest payments of 4.3% to 3.5% are payable on April 1 and October 1 through 1995.

Special Assessment District Bonds with Governmental Commitment-

The City is obligated under the terms of the Lodi United Downtown special assessment bond indentures, in the absence of any other bidder, to be the purchaser of property upon which any special assessments are levied and are delinquent.

Certificates of Participation -

\$11,170,000 Certificates of Participation (1991 Wastewater Treatment Plant Expansion Refunding Project), were sold in December 1991 to refinance the 1988 Wastewater Treatment Plant Expansion Project at a lower interest rate with approximately \$1,400,000 of additional proceeds. Principal is payable annually on August 1 in amounts from \$100,000 to \$760,000 with final payment due August 1,2026. Interest rates range from 4.50% to 6.60%.

The annual principal and interest requirements to amortize all debt outstanding as of June **30**, **1995** are as follows:

Year Ending		General Obli	gation Bond	Special Assess	sment Bonds	Certificates of	Participation		Grand Total Principal &
June 30,		Principal	Interest	Principal	Interest	Principal	Interest		Interest
1996	\$	290,000	10,150	35,000	15,785	110,000	694,855	\$	1,155,790
1997				40,000	12,355	I 15,000	688,818		856,173
1998				40,000	8,415	120,000	682,218		850,633
1999				45,000	4,455	125,000	675,030		849,485
2000						140,000	666,770		806,770
thereafter						10,020,000	11,212,805		21,232,805
	\$_	290,000	10,150	160,000	41,010	10,630,000	14,620,496	\$_	25,751,656

June 30,1995

The various indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of moneys through various restricted accounts and minimum revenue bond coverages. The City is in compliance with all such significant limitations and restrictions.

The present value of future minimum capital lease payments as of June 30, 1995 are as follows:

Fiscal Years Ending	
1996	\$ 156,970.
1997	89,975
1998	47,090
1999	29,600
2000	9,867
Total minimum lease payments	333,502
Less amounts representing interest	34,361
Present value of minimum capital lease payments	\$ 299,141

Special Assessment District

In accordance with the Governmental Accounting Standards Board Statement No. 6, the special assessment district "Industrial Way and Beckman Road" debt service for which the City has no obligation is recorded in an Agency Fund. These bonds were issued under the 1911 Act during 1979 and mature in the year 2000. The amount outstanding as of June 30,1995 is \$134,700. The City is not obligated in any manner in the event of default on the debt.

Industrial Development Bonds

The City of Lodi has lent its name to the City of Lodi Industrial Development Authority for the purpose of issuing the following industrial development bonds and original issue amounts: Minton Corporation \$5,000,000; Dart Corporation \$8,000,000; and Wallace Computer Services \$3,000,000 Industrial Development Bonds. These bonds are special obligation bonds only, payable solely out of the bond revenues or other sources of the above companies and are not a pledge of the general credit of the City. The City is not obligated for the redemption or administration of these industrial development bonds.

June **30, 1995**

(9) Due To/From Other Funds or Governmental Agencies

Individual find interfind receivable and payable balances, as well as amounts due from governmental agencies, by fund type at June 30, 1995 are as follows:

Fund	Due To Other Funds	Due From Other Funds		Oue From Other Agencies
General Fund:	φ		ø	14 640
County of San Joaquin - grant	\$		\$	14,648
State of California-Haz Mat grant				35,000
California Library Foundation			_	10,183
Sub Total General Fund				59,831
Special Revenue Funds:	155.022			222.020
Community Development Block Grant	155,833	5 00 5		233,829
State of California-Parks special grants	5,807	5,807	_	5,807
Sub Total Special Revenue Funds	161,640	5,807		239,636
Capital Projects Funds:				
Hutchins Street Square Capital	120,000			
Capital outlay reserve	53,003	166,582	_	
Sub Total Capital Projects Funds	173,003	166,582		
Enterprise Funds:				
Electric fund		217,282		
Sewer find		70,400		
Water find		38,850		
Transit Fund	164,278			554,931
Sub Total Enterprise Funds	164,278	326,532		554,931
Internal Service Funds:				
Equipment maintenance and motor pool find	11,033			
Claims and Benefits find		11,033		
Sub Total Internal Service Funds	11,033	11,033		
Total	\$ 509,954	509,954	\$	854,398

June 30, **1995**

Amounts due to other funds from the Community Development Block Grants, Parks Special grants, Transit and Equipment maintenance funds represent an interfund payable/receivable for overdraws of their share of a pooled cash account. Amounts due from State of California/Federal Government represent expenditures made by the City for various grant programs not reimbursed prior to June 30, **1995.**

(10) Nature and Purpose of Reported Fund Equity

The following is a summary of restricted, reserved, unreserved-designated and unreserved undesignated fund balances and/or retained earnings at June 30, 1995:

		Governmental Fund Types			Proprietary	Fund Type		
		Special	Debt	Capital		Internal	Trust &	
	General	Revenue	Service	Projects	Enterprise	Service	Agency	Total
Reserved for:								
Library	\$ 242,795						\$	242,795
Encumbrances	159,436	165,792		470,937				796,165
Inventory	33,650							33,650
Total Reserved	435,881	165,792		470,937				1,072,610
Unreserved-Designated for:								
Prior Year Obligations	16,385	5,115,724		2,869,640				8,001,749
Plant Replacement ,			16,545					16,545
Debt Service			246,469					246,469
Specific projects and programs		549,689		591,792			366,090	1,507,571
Total Designated	16,385	5,665,413	263,014	3,461,432			366,090	9,772,334
Unreserved • Undesignated Fund Balance	3,540,175							3,540,175
Retained earnings (deficit)					54,267,665	(2,149,952)		52,117,713
Contributed Capital					1,299,212	131,192		1,430,404
Total Fund Balances/Retained earnings (deficit)	\$ 3,992,441	5,831,205	263,014	3,932,369	55,566,877	(2,018,760)	366,090 \$	67,933,236

June **30,1995**

Reserved Fund Balance and/or Retained Earnings

Reserved represents that portion that is legally segregated for specific purposes and is not available for discretionary appropriation.

Unreserved-Designated Fund Balance Designated represents that portion for which the City has made tentative plans.

Unreserved-Undesignated Fund Balance

Undesignated represents that portion which is available for budgeting in future periods.

(11) Operating Transfers

Total operating transfers by fund at June **30, 1995** are **as** follows:

Fund	_1	Operating Fransfers In	Operating Transfers Out		
General Fund	\$	3,779,891	\$	1,536,326	
Special Revenue Funds		2,086,547		3,614,813	
Debt Service Fund		174,933			
Capital Projects Funds		2,534,074		2,566,200	
Enterprise Funds		1,594,830		3,295,447	
Internal Service Funds		846,860			
Trust and Agency Funds		602		4,950	
	\$	11,017,737	\$	11,017,737	

June 30, 1995

(12) Defined Benefit Pension Plan

(a) Plan Description

The City contributes to the California Public Employees' Retirement System (PERS or System), an agent-multiple employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. The City's payroll for employees covered by the System for the year ended June 30, 1995 was \$15,498,631 which is 88.94% of the City's total payroll of \$17,425,674.

The System covers essentially all employees, except elected officials and those employees compensated on an hourly basis who were hired after May 31, 1966, and related benefits vest after five years of service.

City safety employees who retire at age 50 are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2% per year times years of service based on the average monthly pay during the last twelve consecutive months of service or another period of twelve consecutive months if the average pay rate was higher. The benefit rate increases by retirement age up to a maximum of 2.7% after age 54.

All other City employees who retire at age 60 are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2% per year times **years** of service based on the average monthly pay during the last 36 consecutive months of service or another 36 consecutive month period if the average pay rate was higher. The benefit rate fluctuates depending on the employee's retirement age. The lowest rate of 1.092% is received at retirement age after **50**. The maximum rate is 2.418% at a retirement age after 62.

The System also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute and City resolution.

Certain safety employees are required to contribute 9% of their annual salary to the System. All other employees are required to contribute 7%. The City is required to contribute the remaining amounts necessary to fund the benefits for its members, using the actuarial basis recommended by the **PERS** actuaries and actuarial consultants and adopted by the Board of Administration.

(b) Funding Status and Progress

The amounts shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee services to date. The measure is intended to help users assess the funding status of the System on a going-concern basis, assess progress made in accumulating sufficient

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assets to pay benefits when due and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the System.

The pension benefit obligation was computed as part of an actuarial valuation performed as of June 30, **1994.** The actuarially assumed investment return used in the valuation is **8.5%** per annum. The salary scale used assumes salary increases that vary by length of service. The total increase in any future year includes an assumed **4.5%** inflation rate, a 0.0% across the board increase and merit increases that vary by length of service.

Total pension benefit obligation and assets available for benefits applicable to the City's employees was \$7,088,225 at June 30, 1994 which is the most recent information available, as follows:

Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$	32,347,253
Current employees:		
Accumulated employee contributions including allocated investment earnings		13,968,460
Employer-financedvested		11,946,234
Employer-financed nonvested		644,645
Total pension benefit obligation	_	58,906,592

65,994,817

7.088.225

The pension benefit obligation decreased by approximately \$1 million during 1994 due to changes in noneconomic actuarial assumptions. The method for determining the net assets available for benefits was changed by PERS from cost basis to actuarial smoothed market basis. This change resulted in an increase in net assets available for benefits of approximately \$7 million.

$(c) \ \ Actuarially \ Determined \ \ Contribution \ \ Requirements \ and \ \ Contribution \ \ Made$

Net assets available for benefits, at actuarial value (market value \$65,796,832)

Assets available for benefits in excess of pension benefit obligation

Pension benefit obligation:

PERS uses the Entry Age Normal Actuarial Cost Method which is a projected benefit cost method. That is, it takes into account those benefits that are expected to be earned in the future as well as those already accrued.

Notes to General Purpose Financial Statements (continued)

June **30,1995**

According to this cost method, the normal cost for an employee is the level amount which would fund the projected benefit if it were paid annually from date of employment until retirement. PERS uses a modification of the Entry Age Cost Method in which the employer's total normal cost is expressed as **a** level percentage of payroll. PERS also uses the level percentage of payroll method to amortize any unfunded actuarial liabilities. The amortization period of unfunded actuarial liability ends on June **30,2000**.

The significant actuarial assumptions used to compute the actuarially determined contribution requirement are the same as those used to compute the pension benefit obligation as previously described.

The contribution to the System for 1995 of \$2,671,541 was made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of June 30, 1994. The contributions consisted of: (a) \$2,494,573 normal cost (16.10 % of current covered payroll) and; (b) \$176,968 amortization of the unfunded actuarial accrued payroll liability (1.14% of current covered payroll). The City contributed \$1,464,365 of this total (9.45% of current covered payroll) and the employees contributed \$1,207,176 (7.79 % of current covered payroll).

(d) Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. For fiscal years after 1987, PERS began to provide the City, as well as all other system members, information necessary to comply with actuarial disclosure requirements. Until ten years of data can be accumulated, as many years as are available will be presented.

1988 is the first year that the actuarial information was made available by PERS. Actuarial information is computed through an actuarial valuation performed as of June **30** of the previous year.

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The trend information for fiscal year ended June 30, 1987 through 1994 are as follows:

E'	Net Assets	Pension	December	Unfunded Pension	Actual Annual	Unfunded Pension Benefit Obligation	Made in Accorda Determined R	ontribution nce with Actuarially equirements, as a
Fiscal	Available	Benefit	Percentage	Benefit	Covered	As A Percentage	0	Covered Payroll
Year	For Benefits	Obligations	Funded	Obligation	Payroll	of Covered Payroll	As Employer	On behalf of Employee
1987	28,784,100	34,242,600	84.10%	5,458,500	9,606,000	56.80%	15.60%	7.90%
1988	32.566.900	37,522,800	86.80%	4,955,800	10,472,500	47.30%	11.90%	7.80%
1989	37,248,900	40,651,700	91.60%	3,402,800	11,184,300	30.40%	11.50%	7.80%
1990	41,873,300	45,347,800	92.30%	3,474,500	12,736,600	27.30%	10.20%	7.80%
1991	45,043,300	48,402,600	93.10%	3,359,300	14,466,000	23.20%	11.50%	7.80%
1992	49,570,000	54,184,200	91.50%	4,614,200	15,416,500	29.90%	10.60%	7.80%
1993	54,692,800	56,707,200	96.40%	2,014,400	15,872,200	12.70%	10.20%	7.80%
1994	65,994,800 *	58,906,500	112.00%	(7,088,300)	15,712,100	(45.10%)	10.00%	7.80%

^{*} Prior to 1994, assets are reported at cost. The 1994 assets are reported at actuarial value (smoothed market value).

(13) Deferred Compensation Plan

The City offers its employees a deferred compensation plan (Plan) created in accordance with Internal Revenue Code Section **457**. The Plan, available to all City employees, permits them to defer a portion of their salary until future years up to a maximum of \$7,500 per year or 1/3 of their base salary whichever is less. The Plan also provides that this amount may be increased during the last three years of an employee's employment. Participation is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City subject only to the claim of the City's general creditors. Participants' rights under the Plan are equal to those of general creditors of the City in **an** amount equal to the fair market value of the deferred account for each participant. The City does have the duty of due care that would be required of an ordinary prudent investor.

Investments are managed by the Plan's two trustees under several investment options. The choice of investment option(s) is made by the participants.

Notes to General Purpose Financial Statements (continued)

June 30,1995

(14) Post-Retirement Health Care Benefits

The City provides no post-employment benefits for its employees. However, employees who retire with at least ten years of service may elect to convert all accrued sick leave at the time of retirement to establish an individual medical insurance account. Depending on the bargaining unit of the employee, the value of the insurance account shall be determined by the following options:

a) Option I (available to Management and Mid-management Employees only)

The number of accumulated hours shall be reduced by 16-2/3% and the remaining balance converted into days. The days are then multiplied by the current monthly premium being paid for the employee and, if applicable, hisker dependents. Fifty percent of that amount will be placed into an account to be used by the City to pay medical insurance premiums for the employee and, if applicable, hisker dependents. For each year of employment over ten years, 2.5% will be added to the 50% used in determining the account amounf. Total premiums shall be paid from the account until its depletion, at which time the benefit ceases.

b) Option II (available to all employees)

Calculation is the same as Option I except that any increase in premiums must be paid by the employee.

c) Option 111 (available to all employees)

A retiring employee will be able to choose a cash pay-off of accumulated sick leave at the rate of 30% of base pay per hour.

(15) Claims and Benefits

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is self-insured up to certain limits for certain losses as discussed in the following paragraphs for which reserves are recorded in the Internal Service Fund.

The City is self-insured for general liability up to the first \$500,000 per occurrence with claims from \$500,000 to \$10,000,000 per occurrence and in the aggregate insured through the California Joint Powers Risk Management Authority. (See note 17)

The City is self-insured for worker's compensation up to the first \$250,000 per occurrence with claims from \$250,000 to \$10,000,000 per occurrence and in the aggregate insured through the Local Agency Worker's Compensation Excess Joint Powers Authority. (See note **17)**

Notes to General Purpose Financial Statements (continued)

June 30, 1995

The City is fully self-insured for dental, chiropractic, unemployment and long-term disability for its employees.

General liability and workers' compensation claims are administered by an outside agency and all other claims are administered by the City.

The City has accrued a liability of \$3,764,898 at June 30, 1995 for all self-insured claims in the Internal Service Fund which includes an amount for incurred but not reported claims. The reserve amount is based on the requirements of Governmental Accounting Standards Board Statement No. 10,

which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The self-insurance reserve is based on estimates determined by the insurance administrators for known claims and the City's estimate for incidents incurred but not reported and adverse claim development. The City does not use an actuary to determine the liability. In the opinion of the City, the amounts accrued are adequate to cover claims incurred but not reported in addition to known claims.

Changes in the self-insurance reserve for fiscal year ended June 30, 1995 are as follows:

Current-Year

	Claims and Changes	Claims	
June 30.1994	in Estimates	Payments	June 30, 1995
\$ <u>3,809,533</u>	1,473,830	(1,518,465)	\$ <u>3,764,898</u>

(16) Participation in Joint Ventures

Northern California Power Agency

The City, along with thirteen other public agencies, is a member of the Northern California Power Agency (NCPA) which was formed in **1968** as a joint powers agency. Its membership consists of eleven cities with publicly-owned electric utility distribution systems, one irrigation district, one public utility district and one associate member, a rural electric cooperative. NCPA is generally empowered **to** purchase, generate, transmit distribute and sell electric energy. Members participate in the projects of NCPA on an elective basis. Therefore, the participation percentage varies for each project.

NCPA is governed by a commission comprised of one representative from each member. The commission is responsible for the general management of the affairs, property and business of NCPA. Under the direction of the general manager, the staff of NCPA is responsible for providing various administrative, operating and planning services for NCPA and its associated power corporations.

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Project Financing and Construction

NCPA's project construction and development programs have been individually financed by project revenue bonds collateralized by NCPA's assignment of all payments revenues and proceeds associated with its interest in each project. Each project participant has agreed to pay its proportionate share of debt service and project, notwithstanding the suspension, interruption, interference, reduction or curtailment of output from the project for any reason. Certain of the revenue bonds are additionally supported by municipal bond insurance credit enhancements.

Increase in Non-defaulting Project Participant's Original Project Entitlement Percentage

Upon the failure of any Project Participant to make any payment, which failure constitutes a default under the Member Agreement for the projects, and except as sales and transfers are made pursuant thereto, the Member Agreements provide that Project Entitlement for each non-defaulting Project Participant shall be automatically increased for the remaining term of the Member Agreement; pro rata with those of the non-defaulting Project Participant thereunder; provided, however, that the sum of such increase for any non-defaulting Project Participant shall not exceed, without written consent of such non-defaulting Project Participant, an accumulated maximum of **25%** of the non-defaulting Project Participant's original Project Entitlement Percentage Share.

N/--14:--1

The NCPA members and their percentage share at June **30**, **1994**, which is the most recent available data, are as follows:

	Geothermal Project	Hydro Electric Project	Combustion Turbine Project#1	Multiple Capital Facilities
Alameda	16.8825	10.00	13.092	9.33
Biggs	0.1090		0.120	
Gridley	0.2225		0.213	
Healdsburg	2.8515	1.66	3.500	
Lodi	9.5025	10.37	34.780	27.12
Lompoc	3.6810	2.30	3.500	2.46
Palo Alto		22.92		
Plumas-Sierra Rural Electric Cooperative Redding	0.4645	1.69	1.090	
Roseville	3.6695	12.00	13.251	17.92
Santa Clara	44.3905	37.02	25.000	
Turlock Irrigation District	13.9620			43.17
Ukiah	4.2645	2.04	5.454	

Notes to General Purpose Financial Statements (continued)

June **30,1995**

Truckee-Donner Public Utility District, a member since **1989**, obtains its power and dispatch services from Sierra Pacific Power, but relies on NCPA for legislative representation and other utility services.

Bulk power purchased by the City through NCPA amounted to \$23,533,460 during the year ended June 30,1995.

NCPA Geothermal Project

A purchase power agreement with NCPA obligates the City for a **9.50%** share of the operating costs and debt service of two of NCPA's **110** megawatt steam powered plants, Project Number 2 and Project Number **3.** Outstanding long-term debt related to this project was approximately **\$936** million at June **30, 1994.**

A long-standing NCPA program of scientific steam field and plant management paid off in improved performance for NCPA's Geothermal Project in 1993-94 fiscal year. Steam production has been improved by operating at lower steam pressures and by reinjecting water into the stream wells. These strategies have enabled NCPA to increase the geothermal plant operating levels. Starting in August, 1994, average annual generation was boosted from 150 to 155 megawatts. Maximum monthly average generation was increased from 170 to 175 MW. However, this project is still not producing the level of power originally anticipated at the time of debt issuance.

NCPA continues to improve the efficiency of the geothermal power plants. Low pressure modifications to one of the geothermal generating units are underway. The unit will go into low-pressure operation in January 1996.

Based on an internal assessment of the melded cost of power from NCPA's projects and all other resources available to the members, NCPA management believes its members will continue to operate their electric utilities on a competitive basis, when compared to local investor-owned utility rates, while meeting all electric system obligations including those to NCPA.

Calaveras Hydroelectric Project

NCPA contracted to finance, manage, construct and operate Hydroelectric Project Number One for the licensed owner, Calaveras County Water District. In exchange, NCPA has the right to the electric output of the project for **50** years from February **1982.** NCPA has also the option to purchase power from the project in excess of the District's requirements for the subsequent **50** years, subject to regulatory approval. The operating portions of the project were declared substantially complete and commercially operable in February **1990.** The resumption of drought conditions in California may also result in an increased per unit cost of power generated by the project.

Under a power purchase agreement the City is obligated to pay 10.37% of the debt service and operating costs. At June 30, 1994 approximately \$576 million in long-term debt used to finance this project was outstanding.

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NCPA Combustion Turbine Project

In October 1984, NCPA financed a five-unit, 125-megawattcombustion turbine project. The project, built in three member cities, began **full** commercial operation in June 1986, providing reserve and peak power. Under the NCPA power agreement, the City is obligated to pay 34.78% of the debt service and operating costs. At June 30, 1994 approximately \$65 million in long-term debt was outstanding.

Multiple-Capital Facilities Project

The Project consists of three separate components: (1) A 49.9 megawatt combustion turbine, "Unit One", located in Lodi, California and owned and operated by the NCPA; (2) A 49.9 megawatt combustion turbine "Unit Two", to be located in Ceres, California and owned and operated by the Turlock Irrigation District; and (3) Improvements **to** the electric system owned and operated by the City of Lodi. Each of these three components are supported by separate and unrelated member participation agreements.

Combustion Units One and Two are being built under a lump sum turnkey contract with a guaranteed complete price for construction, as currently planned, of \$152.3 million. Under a power purchase agreement, the City is obligated to pay 27.12% of the debt service and operating costs. Construction of the two turbine units is estimated **to** be completed by December 1995.

The following are the most recent available condensed financial statements of NCPA:

Combined Balance Sheet June 30,1994

Assets			Liabilities and Capita	lizatio	n
Current assets	\$	43,609,000	Current portion of long-term debt	\$	32,825,000
Restricted assets		649,049,000	Other current liabilities		67,038,000
Electric plant, net		737,445,000	Other liabilities and deferred credits		81,980,000
Other Assets and deferred charges		424,982,000	Long-term debt		1,657,977,000
	_		Accumulated net revenues		15,265,000
Total assets	\$	1,855,085,000	Total liabilities and capitalization	\$	1,855,085,000

Notes to General Purpose Financial Statements (continued)

June 30, 1995

Combined Statement of Revenu	e and E	xpenses	Combined Statement of Cash Flows	
Year ended June 30, 1	994		Year ended June 30,1994	
Sales to participants for resale	\$	184,334,000	Net cash provided by operating activities \$	116,221,000
Operating expenses		(99,867,000)	Net cash provided by investing activities	5 1,928,000
Other revenues (expenses)		(83,503,000)	Net cash used in capital and related	
Future recoverable costs		13,554,000	financing activities	(192,104,000)
Net revenues before refunds		14,5 18,000	Net cash provided by noncapital	
Refunds to participants		(9,635,000)	and related financing activities	2,127,000
Net revenues		4,883,000	Decrease in cash and cash equivalents	(2 1,828,000)
Accumulated net revenues,				
beginning of year		10,382,000	Cash and cash equivalents beginning	
Accumulated net revenues,	_		of year	116,853,000
end of year	\$_	15,265,000	Cash and cash equivalents end of year \$	95,025,000

At June 30, 1994, NCPA's total outstanding long-term debt was \$1,690,802,000 at an average interest rate of 7%. The current portion of long-term debt at June 30, 1994 was \$32,825,000.

Complete financial information for NCPA may be obtained at the following administration office:

Northern California Power Agency 180 Cirby Way Roseville, CA 95678

Transmission Agency of Northern California

The Transmission Agency of Northern California (TANC) was organized under the California Government Code pursuant to a joint powers agreement entered into by fifteen Northern California utilities including the City of Lodi. The purpose of TANC is to provide electric transmission or other facilities for the use of its members through its authority to acquire, construct, finance, operate and maintain facilities for electric power transmission. The joint powers agreement provide that the costs of TANC's activities can be financed or recovered through assessment of its members or user charges through transmission contracts with its members. Each TANC member has agreed to pay a pro rata share of the costs to operate TANC and has the right to

June 30,1995

participate in future project agreements. The joint powers agreement remains in effect until debt obligations and interest thereon have been paid, unless otherwise extended by the members.

Increase in Non-defaulting Project Participant's Original Project Entitlement Percentage

Upon the failure of any Project Participant to make any payment, which failure constitutes a default under the Member Agreement for the projects, and except as sales and transfers are made pursuant thereto, the Member Agreements provide that Project Entitlement for each non-defaulting Project Participant shall be automatically increased for the remaining term of the, Member Agreement; pro rata with those of the non-defaulting Project Participant thereunder; provided, however, that the sum of such increase for any non-defaulting Project Participant shall not exceed, without written consent of such non-defaulting Project Participant, an accumulated maximum of 25% of the non-defaulting Project Participant's original Project Entitlement Percentage Share.

California-Oregon Transmission Project

TANC is a participant and also the Project Manager of the California-Oregon Transmission Project (Project), a 339 mile long, 500 kilovolt alternating current transmission project between Southern Oregon'and Central California. **As** a Project Manager, TANC is responsible for the overall direction and coordination of all project development, construction work, operations and maintenance and for general and administrative support.

The project was declared commercially operable on March 24, 1993 and provides a third transmission path or "intertie", between the electric systems of the Pacific Northwest and those in California. The major environmental requirements for the Project have been successfully met and completed.

In connection with its participation in the Project, TANC has an entitlement percentage in Project transfer capability and construction cost sharing of 85.2557%. TANC has incurred costs for Project construction of approximately \$430 million as of September 30, 1994. These costs have been capitalized by TANC since they are expected to be recovered through reimbursement from Project participants and the successful operation of the Project's transmission lines. The Project agreement among the participating members provides that each member agrees to make payments, from its revenues, **to** TANC for Project costs incurred and for the payment of debt service. **As** of September **30**, 1994, TANC has received \$59.1 million **from** the other signatories to the Interim participation Agreement as contributions toward Project construction costs.

Under the TANC joint powers agreement, the City is obligated to pay 1.89% of its debt service and operating costs. At September 30, 1994, approximately \$518 million in long-term debt was outstanding.

STATEMENT OF INCOME

June **30,1995**

The following are the most recent available condensed financial statements of TANC:

BALANCE SHEET

September 30,1994			Year Ended September 30,1994			
Assets			Revenues: Operating revenues	\$	44,622,644	
Electric Utility Plant, net	\$	425,102,988	Interest income		5,990,888	
Restricted Funds		83,018,502	Total revenues	\$	50,613,532	
Current Assets		8,020,269				
Noncurrent assets and deferred charges		32,833,834				
Total Assets	\$_	548,975,593	Costs and Expenses			
Capitalization and Liabilities			General and other operating costs Interest and other financing costs	\$	10,621,559 29,506,344	
Total members' equity		260,190	Depreciation and amortization		10,457,843	
Long-term debt		413,286,544	Total costs and expenses		50,585,746	
Total capitalization	_	413,546,734				
Current liabilities		130,593,835	Net income	\$	27,786	
Noncurrent liability and deferred credit		4,835,024				
Total capitalization and liabilities	\$	548,975,593				

Complete financial information for TANC may be obtained at the following administration office:

Transmission Agency of Northern California 3 **100** Zinfandel Drive, Suite **600** Sacramento, CA **95670**

June **30,1995**

(17). Membership in Insurance Pools

California Joint Powers Risk Management Authority

The City is a member, along with 23 other public agencies, of California Joint Powers Risk Management Authority (CJPRMA) organized under a Joint Powers Agreement pursuant to the California Government Code for the purpose of sharing the risk of catastrophic general liability, automobile liability and public officials' errors and omissions losses because adequate insurance is not available in the commercial insurance market.

CJPRMA has a twenty-one member Board-of Directors, including a director from the City of Lodi. Officers of CJPRMA are elected every two years by the Board members.

The ultimate cost of the program to the City depends on the catastrophic losses of all members, as well as the City's own loss experience and will be determined retrospectively five years after the end of the current program year. The City periodically pays deposits to the CJPRMA. These deposits are recorded as expenditures in the year paid as they are a reasonable estimate of the actual cost of the program. During the year ended June 30, **1995**, deposits **of** approximately \$158,700 were paid to CJPRMA.

The most recent condensed financial information of CJPRMA as of June 30, 1995 follows:

Balance Sheet June 30,1995	Statement of Revenues, Expenses and Retained Earnings Year Ended June 30,1995				
Total Assets, primarily investments	\$	40,790,217	Total Revenues	\$	8,281,592
Liabilities	-		Total Expenses		(7,652,406)
Reserve for losses, Liability program	\$	23,739,222	Operating Income	_	629,186
Reserve for losses, Worker's Compensationprogram		549,206			
Accrued liabilities		352,266	Investment Income		2,368,362
Deferred compensation payable		66,955	Net Income		2,997,548
Total liabilities	-	24,707,649			
Fund Equity			Retained Earnings, beginning of year		14,791,411
Unrealized gain on investments		600,888			
Retained earnings		15,481,680	Refunds to members		(2,307,279)
Total Liabilities and Equity	\$	40,790,217	Retained earnings, end of year	\$_	15,481,680

June 30, 1995

The participants and their percentage shares at June 30, 1995, are as follows: Alameda 4.03%, CCCMRMIA 1.99%, Chico 1.8%, Central San Joaquin Valley Risk Management Authority 14.73%, Fairfield 3.07%, Fremont 6.95%, Livermore 2.68%, Lodi 2.57%, Manteca 1.64%, NCCSIF 1.53%, Petaluma 1.84%, Redding 4.03%, Redwood Empire Municipal Insurance Fund 6.18%, Roseville 3.36%, San Leandro 3.13%, San Rafael 3%, Santa Barbara Area Joint Powers Insurance Authority 1.29%, Santa Rosa 6.28%, Small Cities Organized **Risk** Effort 1.25%, Stockton 8.27%, Sunnyvale 6.98%, Vacaville 2.02%, Vallejo 3.32%, and Yolo County Public Agencies **Risk** Management Insurance Authority 8.06%.

Local Agency Workers' Compensation Excess Joint Powers Authority

The City, along with 22 other public agencies, is **a** member of the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX) which was formed July 1992, for the purpose of sharing the risk of workers' compensation losses. All members are self-insured up to \$250,000 per occurrence.

LAWCX members pool resources to pay claims from \$250,000 to \$500,000 per occurrence and then use group purchasing power to obtain excess coverage through a commercial insurance company up to statutory limits.

The most recent condensed financial statement information of LAWCX follows:

Balance Sheet June 30,1994		Statement of Revenues, Expenses and Retained Earnings Year Ended June 30,1994			
Total Assets, primarily investments	\$	1,077,182	Total Revenues	\$ 1,181,762	
Liabilities:	_				
Accounts Payable/Claims reserve	\$	45,697	Total Expenses	(969,736)	
Administrative Runoff Liability		10,000			
. Claims Incurred But Not Reported		616,847	Net Income	212,026	
Total liabilities	_	672,544			
Retained Earnings:			Retained Earnings, beginning of year	192,612	
Contingency Margin		221,610			
Undesignated	_	183,028			
Total Retained Earnings		404,638	Retained earnings. end of year	\$ 404,638	
Total Liabilities and Equity	\$_	1,077,182			

June 30, 1995

The City paid \$29,000 in deposits to LAWCX during the fiscal year ended June 30, 1995.

The participants and their percentage shares at June 30, 1995 are as follows: Alameda 4.71%, Albany 0.84%, Central San Joaquin Valley Risk Mgmt Authority 20.38%, Clovis 2.52%, Coachella Valley Joint Power Insurance Authority 10.09%, East Bay Regional Park District 3.98%, Emeryville 1.27%, Fremont 7.31%, Livermore 2.94%, Lodi 2.71%, Merced 2.58%, Los Gatos 1.28%, Morgan Hill 1.12%, Newark 1.66%, Palm Springs 3.14%, PARSAC 10.53%, Piedmont 0.85%, Roseville 5.95%, Small Cities Org. Risk Effort (SCORE) 1.98%, Union City 1.46%, Vacaville 3.90%, Vallejo 5.72% and Vector Control JPA 3.08%.

California Transit Insurance Pool

The City, along with 26 other public agencies is a member of California Transit Insurance Pool (CalTIP), a joint powers insurance authority which was formed for the purpose of sharing the risk of property damage, bodily injury, personal injury and public officials errors and omissions losses for public transit systems.

Liability protection coverage is provided under two programs:

<u>Program I</u> applies to member properties with a pre-funded deductible or a self-insured retention of less than \$100,000, per occurrence. Under this program, claims administration services are provided by CalTIP's claim administrator.

<u>Program II</u> applies to all member properties with self-insured retentions of \$100,000 or greater per occurrence. Under this program, claims administration services are performed at the discretion of the member agency, subject to CalTIP bylaws.

CalTIP is responsible for funding member claims in excess of applicable self-insured retentions from the self-insurance pool limit of \$500,000. Claims in excess of the pool limit are covered by overlying insurance purchased by CalTIP, covering all member agencies up to \$5.5 million. Claims in excess of \$5.5 million are covered by additional overlying insurance up to a \$10 million limit for certain member agencies, at the option and expense of those agencies.

June 30, **1995**

The schedule below reflects the liability protection coverage at April 30, **1995**, which is the most recent available data, for each of CalTIP's member agencies:

		Self-Insured	Limit
Agency	Program	Retention	(in millions)
Arcata Mad River Transit System	I	\$ Prefunded	\$ 10
City of Azusa Transit System	II	25,000	10
Butte County Transit System	I	25,000	10
Central Contra Costa Transit Authority	I	25,000	10
Culver City Municipal Bus Lines	II	250,0 00	5.5
City of Dixon Transit System	I	Prefunded	10
El Dorado County Transit	I	25,000	10
City of Folsom Transit System	II	250,000	5.5
Humbolt Transit	I	25,000	10
City of Lincoln Transit System	II	250,000	5.5
City of Lodi Transit System	I	Prefunded	5.5
Mendocino Transit Authority	I	25,000	5.5
Monterey-Salinas Transit	II	250,000	5.5
Morongo Basin Transit Authority	I	Prefunded	5.5
Napa Valley City Bus	I	Prefunded	5.5
Nevada County Transit District	I	25,000	10
Placer County Transit	II	100,000	10
Riverside Transit Agency	I	25,000	10
Santa Cruz Metropolitan Transit District	II	100,000	10
Santa Rosa County Transit	II	100,000	10
Siskiyou County Transit	I	Prefunded	10
San Luis Obispo Regional Transit Authority	I	Prefunded	10
Vallejo Transit Lines	I	25,000	10
Western Contra Costa County Transit Authority	I	Prefunded	10
City of Whittier Transit System	II	250,000	5.5
Yolo County Transit Authority	I	Prefunded	10

June **30,1995**

The most recent condensed financial information of CalTIP as of April 30, 1995 is disclosed as follows:

Balance Sheet April 30,1995					d Earnings
Total Assets, primarily investments and member premiums receivable	\$_	7,923,289	Total Revenues	\$	2,244,156
Total Liabilities	\$	4,774,779	Total Operating Expenses Net Income	_	(1,415,374) 828,782
Retained earnings		3,148,510	Tet mesme		020,702
Total Liabilities and Retained Earnings	\$ _	7,923,289	Retained earnings, beginning of year Retained earnings, end of year	\$_ =	2,3 19,728 3,148,510

(18) Deficit in Fund Equity

Internal Service Fund - Claims and Benefits - A deficit in fund equity at June **30**, **1995**, in the amount of **\$2,018,760** in the Internal Service Fund is due to the self-insurance reserves in the Claims and Benefits Fund established to cover both incurred and incurred-but-not-reported (IBNR) claims.

Notes to General Purpose Financial Statements (continued)

June 30, 1995

(19) Segments of Enterprise Activities

There are five services provided by the City which are financed by user charges - Camp Hutchins, electric, sewer, water and transit. Selected financial data for these five services for the year ended June 30,1995 are as follows:

	Hutchins								
			Electric Sewer		Water		Transit		Total
Operating revenues	\$	127,464	34,047,610	3,596,313	2,712,164	\$	104,410	\$	40,587,961
Operating expenses: Depreciation and amortization			(500,745)	(668,716)	(301,215)		(93,379)		(1,564,055)
Other		(1 17,739)	(31,699,586)	(2,489,307)	(2,026,851)		(1,023,120)		(37,356,603)
Operating Income (loss)		9,725	1,847,279	438,290	384,098	-	(1,0 12,089)	_	1,667,303
Nonoperating revenue (expense)		902	1,284,604	(9,197)	671,239		598,712		2,546,260
Operating transfers, net		640	(1,001,775)	(562,416)	(364,605)		227,540		(1,700,617)
Net income (loss)	\$	11,267	2,130,108	(133,323)	,690,732	\$ <u> </u>	(185,837)	\$ <u> </u>	2,512,946
Current capital contributions	\$_	7,321				\$_	326,434	\$_	333,755
Property, plant and equipment additions (deletions) (including construction in progress), net	\$_	7,321	1,5 17,060	39,973	765,174	\$_	627,824	\$_	2,957,352
Net working capital	\$_	11,599	9,611,287	5,151,736	1,126,457	\$_	389,842	\$_	16,290,921
Total assets	\$_	25,569	22,243,529	33,720,352	15,920,949	\$_	1,105,052	\$_	73,015,451
Certificates of participation, net	\$_			10,174,023		\$_		\$_	10,174,023
Total equity	\$_	18,920	21,087,476	22,881,300	10,654,894	\$_	924,287	\$_	55,566,877

June 30,1995

(20) Contributed Capital.

Contributions of property, plant and equipment for the proprietary funds increased as follows:

	Begin	alance at nning of Year Previously Stated	Adjustment to Contributed Capital	Balance at Beginning of Year, As Restated	Contributions from Grants & Other Funds	Transfer from/to Other Funds	Depreciation on Contributions		Balance at End of Year	
Enterprise Fund										
Water Fund	\$	777,612		777,612			(20,166)	\$	757,446	
Transit			301390	301,390	326,434		(93,379)		534,445	
Camp Hutchins						7,321			7,321	
Total Enterprise Fund		777,612	301,390	1,079,002	326,434	7,321	(113,545)	_	1,299,212	
Internal Service Fund										
Equipment Maintenance		151,677		151,677		(4,663)	(15,822)		131,192	
								_		
	\$	929,289	301,390	1,230,679	326,434	2,658	(129,367)	\$	1,430,404	
								=		

(21) Commitments and Contingencies

Litigation and claims- The City is a defendant in various lawsuits and is a party to various claims including environmental exposure. The City Attorney estimates that the potential claims against the City resulting from such litigation would not materially affect the financial condition of the City.

Proposition No, 62 The California Supreme Court recently upheld the constitutionality of Proposition 62, a 1986 initiative which required voter approval of all new or increased taxes. The Court's ruling could invalidate certain taxes previously collected by the City and disallows these taxes from being collected in the future. The likelihood and amount of such an adverse effect upon the financial position of the City is currently unknown and has not been reflected for in the general purpose financial statements.

Notes to General Purpose Financial Statements (continued)

June **30,1995**

Arbitrage Earnings Rebate Liability - Arbitrage earnings are defined as income earned on the unexpended tax exempt bond proceeds in excess of that which would have been earned had the moneys been invested in securities with a yield of the effective rate of the bond anticipation notes. Currently, arbitrage earnings must be rebated to the United States Treasury every five years from the date of August 1, 1988. Due to the advance refunding of the 1988 Certificates of Participation, bond counsel has calculated the City will owe no arbitrage earnings for 1995. This is primarily due to a Change in the Internal Revenue Service regulation in 1992 that allows inclusion of refunding escrows in the rebate calculation. As the investments earned a yield which was much lower than the bond yield, substantial negative rebate was generated resulting in a reduction of the rebate to zero. Consistent with the prior year, there is no liability in the current year.

(22) Subsequent Events

On July **7**, **1995**, the City signed a contract for the renovation of City Hall. This project which will bring the building in compliance with the Americans with Disabilities Act will cost the **City** approximately **\$1.9** million.

Cn September 28, 1995, the City issued \$5 million in Certificates of Participation to finance a number of capital projects including the Performing Arts Facility and Downtown Renovation. Installment payments will be budgeted from the 30% of property taxes allocated to the Capital Outlay Fund. Annual maturities of \$150,000 to \$405,000 are payable from October 1, 1996 to October 1, 2015. Interest rates range from 4.0% to 6.375%.

SUPPLEMENTAL FINANCIAL STATEMENTS

GENERAL FUND

The General Fund is maintained to account for all financial resources that are not restricted as to their use. This includes property and sales taxes, business tax, receipts, franchise taxes and various subventions such as Motor Vehicle In-Lieu fees received from the State of California. With the exception of grant programs, General Fund resources can be utilized for any legitimate governmental purpose.

Due to the scale and flexibility of General Fund revenues, a broad range of municipal services are provided through this fund. The following is a summary of the services primarily financed through the General Fund by Department:

Office of the City Manager

Implementation of City Council policies

Intergovernmentalrelations

Community Promotion

Risk Management and Insurance Cultural Activities

Salary and Benefits Administration

Budget Administration Transit Operations Disaster Preparedness Solid Waste Management

Telecommunications

Safety

Office of the City Attorney Legal Advisor to the City Council

Contract Review

Litigation

Office of the City Clerk

Official City Recordkeeping/Elections Council Meeting Agendas and Minutes

Chamber of Commerce

Personnel Office Employee Relations

Recruitment, Selection and Classification

Affirmative Action

Benefits Administration

Community Center Office Aquatics for Seniors Facilities Administration

Senior Activities

}

Police Department Patrol

Crime Prevention Animal Control Investigations

Drug Suppression Fire Department

Emergency Response Hazard prevention

Weed Abatement

Parks and Recreation Department

Park Maintenance Youth Programs Adult Programs Pre-school Programs

Senior Activities

Aquatics

Trips and Classes

Library

Adult and Youth Reading Material

Research Services

Department of Finance Revenues and Collections

Financial Reporting

Debt and Investment Management

Data Processing Parking Enforcement

Utility Billing Purchasing

Department of Public Works

Engineering Services

Street Paving and Sweeping Sidewalk Maintenance

Traffic Signal & Sign Maintenance

Storm Drain Maintenance

Tree Maintenance Street Maintenance Building Maintenance Parking Lot Maintenance

Department of Community Development

Development Review

General Plan

Environmental Impact Reporting

DemographicInformation

Design Review Building and Safety

Although several of the activities listed above may be partially financed through other funds, the primary source of funding for these services is the General Fund. For example, central support services provided by the Department of Finance are organized in the General Fund, these services are provided to Enterprise Fund Activities, Special Revenue Fund Activities and Capital Outlay Fund Activities. Reimbursement transfers are made from the other funds to the General Fund based on a formula calculated each year as compensation for these services.

CITY OF LODI GENERAL FUND

SCHEDULE OF EXPENDITURES BY DEPARTMENT BUDGETARY LEVEL OF CONTROL - BUDGET AND ACTUAL COMPARISON

Year ended June 30,1995

		1995	
			VARIANCE-
·			Favorable
	BUDGET	ACTUAL	(Unfavorable)
GENERAL GOVERNMENT and CAPITAL OUTLAY			
City Council	\$ 77,124	\$ 71,432	5,692
City Manager	1,197,991	1,142,402	55,589
City Clerk	144,329	136,007	8,322
City Attorney	229,244	225,902	3,342
Personnel Department	233,917	233,456	461
Community Development	797,609	757,598	40,011
Finance Department	2,052,239	1,995,630	56,609
Non Departmental	463,750	408,410	<u>55,340</u>
Total General Government and Capital Outlay	5.196.203	4,970,837	225,366
PUBLIC PROTECTION	10,444,526	10,274,500	170,026
PUBLICWORKS	3,835,461	3,628,448	207,013
LIBRARY	1,015,878	956,120	59,758
PARKS AND RECREATION	2,443,312	2,299,181	144,131
TOTAL GENERAL FUND EXPENDITURES	\$ 22,935,380	\$_22,129,086	806,294

SUPPLEMENTAL FINANCIAL STATEMENTS

SPECIAL REVENUE FUNDS

The City has established the following five special revenue funds in order to account for the proceeds from revenue sources that are restricted to expenditures for specific purposes.

Police Special Revenue Fund

This fund was established to account for the revenues and expenditures related to the City's share of property forfeited by persons convicted of possession and selling illegal drugs and the State of California auto theft prosecution moneys.

Special Grants Fund

This fund has been established to account for the receipt of smaller grants from Federal and State sources.

Streets Fund

This fund was established to account for the following:

Gas Tax

To account for revenues and expenditures apportioned to the City under the Streets and Highway Code. Portions of the tax rate levied by the State of California on all gasoline purchases are allocated to cities throughout the State on a population basis. These funds are restricted for expenditure by the State of California for street related purposes only.

Development Impact Mitigation Fees

To account **for** impact fees charged to provide for the building of various storm drain and street improvements needed to serve new development. The fees are calculated on a per acre basis and are collected at subdivision final map approval or with building permit stage effective November **4,1991**.

Master Storm Drain

To account for the funding of construction or modification of the City's storm drain system.

Measure K Sales Tax

To account for revenues and expenditures apportioned to the City for sales tax collections under Measure K. Expenditures for administration, maintenance and construction must be for street -related projects.

Intermodal Surface Transportation Efficiency Act (ISTEA)

To account for revenues from the federal highway administration for programs including surface transportation program(STP) for streets and roads,

OVERVIEW -continued

Transportation Fund

This fund was established to account for the receipt of moneys from the State of California apportioned to the City for transportation purposes. The State has designated 114% of the 6% sales tax levied statewide for local transportation purposes. Funding for this program was provided during the 1971 legislative session with the enactment of the Transportation Development Act, which extended the 6% sales tax to include purchases of gasoline. Revenues allocated to the City of Lodi under this program are divided into two categories: Article 8 funds, which are restricted for the improvement and maintenance of street systems: and Article 4 funds, which are restricted for public transit systems.

Community Development Block Grants

This fund was established to account for Federal moneys provided to the City principally for low and moderate income residents to develop a suitable living environment and expand economic opportunities.

CITY OF LODI SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET

June 30,1995

(with comparative totals for June 30,1994)

	Dr	olice Special	Special			Community Development Block		T	otals	
	г	Revenue	Grants	Streets	Transportation	Grants	-	1995	Jiais	1994*
ASSETS	_	Revenue	Gianis	Sireeis	<u>Transportation</u>	Giants	_	1995		1994
Cash and Investments Receivables:	\$	29,668		5,123,441	335,288		\$	5,488,397	\$	4,335,810
Accounts		3,750		178,028	277,252			459,030		■ B,289
Interest		610		52,985	212			53,807		48,404
Due from other funds or governmental agencies		5,807	5,807			233,829	_	245,443		17,643
TOTALASSETS	\$_	39,835	5,807	5,354,454	612,752	233,829	\$_	6,246,677	\$	4,515,146
LIABILITIESAND FUND BALANCE										
LIABILITIES Accounts payable and other liabilities Accrued salaries and wages	\$	973		174,744 119		77,996	\$	119	\$	755
Due to other funds	_		5,807			155,833_	_	161,640		17,211
TOTAL LIABILITIES	_	973	5,807	174,863		233,829	_	415,472		17,966
FUND EQUITY Fund balances: Reserved for encumbrances		12 202		152 500				165,792		
Unreserved-designated for:		13,292		152,500				105,792		
Prior year's obligation Specific projects and programs		25,570		5,027,091	88,633 524,119			5,115,724 549,689		441,375 4,055,805
TOTAL FUND BALANCE		38,862		5,179,591	612.752			5,831,205		4,497,180
TOTAL LIABILITIES AND FUND BALANCE	\$ _	39,835	5,807	5,354,454	612,752	233,829	\$_	6,246,677	\$	4,515,146

^{*} Restated for fund reclassifications.

CITY OF LODI SPECIAL REVENUE FUNDS COMBININGSTATEMENTOF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Year ended June 30,1995

(with comparative totals for the year ended June 30,1994)

						Development	Community Development			
	Police Special Revenue	Special Granls	Gas Tax	Streets	Transportation	Impacl Miligation Fees	Block Granls	_	Tot 1995	1994*
REVENUES Taxes Intergovernmental revenues Charges for services		41,860	100	468,435 1,291,237 463,554	1,059,618	With Ballott Fees	753,093	\$		16 2, 468,363 387,995
Interest endrental income Miscellaneousrevenue Total revenues	1,304 31,494	41,860		237,064 65,259 2,525,549	1,197 5,727 1,066,540		753,093	_	239,565 70,986 4,418,536	155.136 3,447 3,452,389
EXPENDITURES Current General government Publicprotection	126,920								126,920	859 9,498
Publicworks Capital ouliey Total expendilures	126,920			676,232 676,232			753.093 753,093	_	753.093 676.232 1,556,245	316.310 1,397,561 1,724,228
EXCESS (DEFICIENCY) OF REVENUESOVER (UNDER) EXPENDITURES	(95,426)	41,860		1,849,317	1,066,540		7.000,000		2,862,291	1,728.161
OTHER FINANCING SOURCES (USES) Operating transfers in Operalingtransfers out Total other financing sources (uses)	14,368 (18,000) (3,632)	(41,860) (41,860)		1,895,430 (2 ,980,992) (1,085,562)	176,749 (573,961) (397,212)			_	2,086,547 (3,614,813) (1,528,266)	2,608,405 (1,819,371) 789,034
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(99.058)			763,755	669.328			_	1,334,025	2,517,195
FUND BALANCE AS PREVIOUSLY REPORTED, BEGINNING OF YEAR	137,920		1,008,460		1,615,710	2,481,640			5,243,730	1,938,947
ADJUSTMENT TO FUND BALANCE			(1,008,460)	4,415,836	(1,672,286)	(2,481,640)		_	(746,550)	41.038
FUND BALANCE. BEGINNING OF YEAR, AS RESTATED	137,920			4,415,836	(56,576)			_	4,497,180	1,979,985
FUNDBALANCE, END OF YEAR	38,862			5,179,591	612,752			\$	5,831,205	\$4,497,180

See accompanying independents uditors' report.

Restated for fund reclassifications.

CITY OF LODI SPECIAL REVENUE FUNDS COMPARATIVE STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL Year ended June 30,1995

	POLIC	E SPECIAL RE\		_	S	PECIAL GRANT	
	DUDOFT	ACTUAL	VARIANCE- Favorable				VARIANCE- Favorable
REVENUES	BUDGET	ACTUAL	(Unfavorable)	-	BUDGET	ACTUAL	(Unfavorable)
	\$			\$			
Intergovernmental revenues	12,000	30.190	18,190	•	61.500	41,860	(19,640)
Charges for services	,		,		01.000	,	(10,010)
Interest and rentalincome	4.000	1,304	(2,696)				
Miscellaneouscharges				_			
Total Revenue	16,000	31,494	15,494	_	61,500	41,860	(19,640)
EXPENDITURES Current							
Publicprotection	145.393	126,920	18.473				
Publicworks Capital outlay							
Total Expenditures	145.393	126,920	16,473	-			
Total Experialities	140,000	120,320	10,470	-			
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(129,393)	(95,426)	33,967		61,500	41,860	(19,640)
OTHER FINANCING SOURCES (USES)							
Operating transfers in	14.368	14.368					
Operating transfers out	(18.000)	(18,000)			(41,860)	(41,860)	
Total other financing sources (uses)	(3,632)	(3,632)			(41,860)	(41,860)	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(133.025)	(99,058)	33,967		19,640		(19,640)
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED	137.920	137,920					
, , , , , , , , , , , , , , , , , , , ,		,		•			
FUND BALANCE, END OF YEAR	\$ <u>4.895</u>	38,862	33,967	\$.	19,640		(19,640)

CITY OF LODI SPECIAL REVENUE FUNDS

COMPARATIVE STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

Year ended June 30, 1995

		STREETS			TRA	ANSPORTATI	ON
	PUROET	A OTT I A I	VARIANCE- Favorable	•	DUDGET	AOTHAL	VARIANCE- Favorable
	BUDGET	ACTUAL	(Unfavorable)		BUDGET	ACTUAL	(Unfavorable)
REVENUES Taxes Intergovernmentalrevenues	\$ 507.200 1,750,800	468,435 1,291,237	(38,765) (459,563) (54,446)	\$	973,500	1,059,616	86,116
Charges for services Interestand rentalincome Miscellaneouscharges	518,000 107.550	463,554 237.064 65.259	129.514 65,259		9,700	1,197 5,727	(8,503) 5,727
Total Revenue	2,883,550	2,525,549	(358,001)		983,200	1,066,540	83,340
EXPENDITURES Current Public protection Public works Capital outlay Total Expenditures	4,320,215 4,320,215	676.232 676,232	3,643,983 3,643,983				
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(1,436,665)	1,849,317	3,285,982		983,200	1,066,540	83.340
OTHER FINANCING SOURCES (USES) Operating transfers in Operating transfers out Total other financing sources (uses)	1,895,430 (2,980,992) (1,085,562)	1,895,430 (2,980,992) (1,085,562)			176,749 (573.961) (397,212)	17 <u>6</u> ,749 (573,961) (397.212)	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(2,522,227)	763.755	3,285,982		585,988	669,328	83,340
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED	4,415,836	4,415,836			(56.576)	(56.576)	
FUND BALANCE, END OF YEAR	\$ 1,893,609	5,179,591	3,285,982	\$	529,412	612,752	83,340

CITY OF LODI SPECIAL REVENUE FUNDS COMPARATIVESTATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL Year ended June 30,1995

		COMMUNIT MENTBLOC				TOTALS	
	BUDGET	ACTUAL	VARIANCE- Favorable (Unfavorable)		BUDGET	ACTUAL	VARIANCE- Favorable (Unfavorable)
REVENUES			,	-			(= = = = = = = = = = = = = = = = = = =
Taxes	\$			\$	507,200	468,435	(38,765)
Intergovernmental revenues	628,477	753.093	124,616		3,426,277	3,175,996	(250,281)
Charges for services					518,000	463,554	(54,446)
Interest and rental income					121.250	239,565	118,315
Miscellaneous charges						70,986	70,986
Total Revenue	628,477	753.093	124,616		4,572,727	4,418,536	(154,191)
EXPENDITURES Current							
Public protection					145,393	126,920	18,473
Public works	1,286,962	753,093	533.869		1,286,962	753,093	533,869
Capital outlay					4,320,215	676,232	3,643,983
Total Expenditures	1,286,962	753.093	533.869		5,752,570	1,556,245	4,196,325
EXCESS (DEFICIENCY) OF REVENUE OVER							
(UNDER) EXPENDITURES	(658,485)		658,485		(1,179,843)	2,862,291	4,042,134
OTHER FINANCING SOURCES (USES)							
Operating transfers in					2,086,547	2,086,547	
Operating transfers out					(3,614,813)	(3,614,813)	
Total other financing sources (uses)					(1,528,266)	(1,528,266)	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES							
AND OTHER FINANCING USES	(658,485)		658,485		(2,708,109)	1,334,025	4,042,134
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED				•	4,497,180	4,497,180	
FUND BALANCE, END OF YEAR	\$ (658,485)		658,485	\$	1,789,071	5,831,205	4,042,134

SUPPLEMENTAL FINANCIAL STATEMENTS

DEBT SERVICE FUND

The City has established a debt service fund to account for the payment and accumulation of resources related to general long-term debt principal and interest for the following debt issues:

1965 Municipal Improvement Bonds - Series A

These bonds were issued in 1965 to finance the construction of sewer, storm drainage and a public safety building. These bonds are secured by a pledge of property tax revenues.

Special Assessment District Bonds

These bonds were issued in 1984 to finance a downtown beautification program and are secured by an assessment of properties in the District.

CITY OF LODI

DEBT SERVICE FUND COMPARATIVE BALANCE SHEETS June 30,1995 and 1994

	1995	1994
ASSETS		
Cash and Investments	\$ 260,298	\$ 243,550
Receivables:		
Property taxes	2,181	10,239
Special Assessments	35,000	30,000
Interest	535_	739
TOTAL ASSETS	\$ 298,014	\$ 284.528
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Deferred revenue	\$35,000_	30,000
TOTAL LIABILITIES	35,000	30,000
FUND BALANCE		
Fund balances:		
Unreserved-designatedfor plant replacement	16,545	16,545
Unreserved-designatedfor debt service	246,469	237,983
TOTAL FUND BALANCE	263,014	254,528
TOTAL LIABILITIES AND FUND BALANCE	\$ 298,014	\$ 284,528

CITY OF LODI

DEBT SERVICE FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Years ended June 30,1995and 1994

	1995	1994
REVENUES		
Taxes	\$ 176,539	\$ 65,041
Interest and rental income	2,512	2,149
Total Revenues	179.051	67.190
EXPENDITURES		
Interest and fiscal charges	35,498	80,160
Principal payments	310,000	325,000
Total Expenditures	345,498	405,160
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(166,447)	(337,970)
OTHER FINANCING SOURCES Operating transfers in Total other financing sources	174,933 174,933	352,563 352.563
EXCESS OFREVENUESANDOTHERSOURCES		
OVER EXPENDITURESAND OTHER USES	8,486	14,593
FUND BALANCE, BEGINNING OF YEAR	254,528	239,935
FUND BALANCE, END OF YEAR	\$ 263,014	\$ 254,528

SUPPLEMENTAL FINANCIAL STATEMENTS

CAPITAL PROJECT FUNDS

The following funds were used by the City in order to account for the financial resources used in the construction and acquisition of major capital facilities or equipment (with the exception of those financed primarily through enterprise funds):

Equipment Fund

This fund was established to account for the financing and replacement of equipment for all funds of the City with the exception of the Enterprise Funds. Financing is primarily provided through operating transfers from other funds, interest earnings and sales of surplus property.

Library Capital

This fund is used to account for the acquisition, construction and installation of capital facilities for the Library.

Subdivision Capital

This fund is used to account for construction and installation projects dealing with subdivision work for others.

Hutchins Street Square Capital

When the old Lodi High School burnt down, the City purchased the property and renamed it Hutchins Street Square. The Old Lodi High Site Foundation was established, and this organization organizes events to raise money for the capital restoration of Hutchins Street Square.

Capital Outlay Reserve Fund

This fund was established to account for all the City's construction projects and capital purchases in excess of \$10,000 with the exception of those funded through Enterprise Funds. Financing is provided primarily by operating transfers from other funds and from State and Federal grants.

Lodi Lake Capital

This fund was established to account for moneys charged for activities held at Lodi Lake. The Council designated the moneys to be used for Lodi Lake capital projects.

CITY OF LODI CAPITAL PROJECT FUNDS COMBINING BALANCE SHEET

June 30,1995

(with comparative totals for June 30,1994)

			Library	Subdivision	Hutchins Street Square	Capital Outlay	Lodi Lake	_	T	otals	3
	_	Equipment	Capital	Capital	Capital	Reserve	Capital	_	1995		1994*
. ASSETS Cash and investments Receivables:	\$	190,288	364,652	300,339	3,577	2,745,333	191,531	\$	3,795,720	\$	3,895,470
Accounts Property taxes					120,000	868 4,651	3,000		123,868 4,651		126,123
Interest Due from other funds						39,577 166,582	3,280		42,857 166,582		33,664 27,961
TOTAL ASSETS	\$_	190,288	3 64,65 <u>2</u>	300,339_	123,577	2,957,011	197,811	\$	4,133,678	\$_	4,083,218
LIABILITIESAND FUND BALANCE											
LIABILITIES Accounts payable and other liabilities Accrued salaries and wages	\$	75				28,231		\$	28,306	\$	92,714 823
Due to other funds					120,000	53,003			173,003		224,459
TOTAL LIABILITIES		75			120,000	81,234			201,309		317,996
FUND BALANCE Fund balances: Reservedfor encumbrances		72,388				398,549			470,937		239,851
Unreserved-designated for:		07.700	004.050			0.477.000			0.000.040		4 700 507
Prior year's obligation		27.760	364,652	200 220	2.577	2,477,228	107 014		2,869,640		1,762,567
Specific projects and programs TOTAL FUND BALANCE	_	90,065 190,213	364,652	300,339	3,577 3,577	2,875,777	197,811	-	591,792		1,762,804
TOTAL TOTAL BALANCE	-	100,210	304,032	300,339	3,377	2,013,111	197,811	-	3,932,369		3,765,222
TOTAL LIABILITIES AND FUND BALANCE	\$_	190,288 .	364.652	300,339	123,577	2,957,011	<u>, 197,811</u>	\$ <u>_</u>	4,133,678	\$	4,083,218

See accompanying independentauditors' report.

Restated for fund reclassifications.

CITY OF **LODI** CAPITAL PROJECT FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Year ended June 30,1995

(with comparative totals for June 30,1994)

		Equipment	Library Capital	Subdivision Capital	Hutchins Street Square Capital	Capital Outlay Reserve	Lodi Lake Capital	Master Storm Drain	_	To 1995	otals 199	94'
REVENUES Taxes Charges for services Interestand rentalincome Miscellaneous revenue	\$					611,114 1,243,252 159,794	13,066		\$	611,114 1,243,252 172,860	55	0,813 7,429 4,153
Total revenue						2,014,160	13,066			2,027,226	1,72	2,395
EXPENDITURES Current General government Public works Capital outlay		397.641				1,424,089	6,223			1,827,953	7	8.007 1,670 14,592
Total expenditures	_	397,641				1,424,089	6,223		-	1,827,953		4,269
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	_	(397,641)				590,071	6,843		_	199,273	83	8,126
OTHER FINANCING SOURCES (USES) Operating transfers in Operating transfers out Total other financing sources (uses)	_	244.185 (8.242) 235,943		(7,000) (7,000)		2,209,468 (2,476,440) (266.972)	80,421 (74,517) 5,904		-	2,534,074 (2,566,200) (32,126)	(6,27	1,462 4,045 2,583
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	_	(161.698)		(7.000)		323,099	12,747			167,147	(1,33	4,457
FUND BALANCE AS PREVIOUSLY REPORTED, BEGINNING OF YEA	AR	351,911	364,652	307,339	3,577	1,539,121.	185,064	869,190		3,620,854	5,57	0,526
ADJUSTMENT TO FUND BALANCE	_					1,013,558		(869,190)	_	144,368	(47	0,847
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED	_	351,911	364,652	307,339	3,577	2,552,679	185,064		-	3,765,222	5,09	9,679
FUND BALANCE. END OF YEAR	\$	190,213	364,652	300,339	3,577	2,875,777	197.81	_	\$	3,932,369	\$ 3,76	55,222
I OND DALANGE. END OF TEAK				,	•		_		7	C,002,000	Ψ 0,70	J,

[·] Restated for fund reclassifications.

SUPPLEMENTAL FINANCIAL STATEMENTS

ENTERPRISE FUNDS

Enterprise funds are distinguished by their similarity to private sector activities as the intent is to finance or recover the cost of providing services primarily through user charges. As such, the measurement focus is on net income in addition to financial position and changes in financial condition. An accrual basis of accounting with depreciation recorded as an expense, is utilized. Enterprise funds may also be established in order to account for operations under which the City or an outside grantor agency has decided that a periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The City of Lodi uses the following five enterprise funds:

Camp Hutchins Fund

This fund was established by the City in order to account for the provision of licensed child care that is provided every day of the year except weekends and school holidays. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration and management, supplies for activities that provide socialization skills through activities in arts, crafts, drama, games, music and science, and qualified licensed child care services for children from ages 6 to 12 years.

Electric Fund

This fund was established by the City in order to account for the provision of electric services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including but not limited to, source of supply, overhead, systems maintenance, customer service, engineering, administration, capital improvements, maintenance and debt service.

Sewer Fund

This fund was established by the City in order to account for the provision of waste water collection and treatment services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, improvements and debt service.

Water Fund

This fund was established by the City in order to account for the provision of water to the residents of the City as well as some customers in the County. All activities to provide such services are accounted for in this fund, including, but not limited to administration, operations, distribution, maintenance, capital improvements and debt service.

Transit Fund

This fund is used to account for the operations of the Dial-A-ride and the Grapeline bus system.

CITY OF LODI

ENTERPRISE FUNDS

COMBINING BALANCE SHEET

June 30,1995
(with comparative totals for June 30,1994)

	_						_		otals	40041
	Car	np Hutchins	Electric	Sewer	Water	Transit	_	1995	_	1994'
ASSETS Cash and Investments	\$	14,619	7,418,417	5,423,265	1,111,607		\$	13,967,908	\$	12,006,166
Receivables: Accounts		3,436	2,287,334	241,603	238,222	4,664		2,775,259		2,548,624 34,926
Propertytaxes					3,936,191			3,936,191		3,977,273
Waterloan		193	127,208	61,944	12,173	11.012		212,530		158,927
Interest		100	217,282	70,400	38,850	554.931		881,463		775,792
Due from other funds or governmental agencies inventory			717,099	17,298	233,569			967.966		1,622,012
Deferred financing costs			,	252,264	•			252,264		268,806
Olher assets				2,255	90			2.345		35.828
Fixed assets (net)		7,321	11,476,189	27,651,32 <u>3</u>	10,350,247	534,445	_	50,019,525	_	48,896,542
TOTALASSETS	\$ <u></u>	25.569	22,243,529	33,720,352	15.920.949	1.105.052	\$	73,015,451	\$ _	70,324,895
LIABILITIESAND FUNDEQUITY										
LIABILITIES	•	1,745	371,866	113,790	402,223	1.078		890,702	\$	1,038,422
Accounts payable and other liabilities	\$	4,904	79,161	36,466	20,433	15,409		156,373	•	117,092
Accrued salaries and wages		4,904	79,101	351,679	7,005	10,400		358.684		362,412
Accrued interest				331,073	1,000	164,278		164,278		208,918
Dueto other funds			705,026	146,846	78,394	,		930,266		850.328
Accrued compensatedabsences Deferred revenue			100,020	16,248	,			16,248		
Certificates of participation payable, net of discount				10,174,023				10,174.023		10,269,548
Water loan payable				, ,	4,758,000		_	4,758,000	_	4,758,000
TOTAL LIABILITIES		6.649	1,156,053	10,839,052	5,266,055	180,765	_	17,448.574	_	17,604,720
FUNDEQUITY					757.440	524.445		1,299,212		1,079,002
Contributed Capital		7.321	04 007 470		757,446	534,445		54,267,665		51.641.173
Retainedeamlngs		11,599 18,920	21,087,476	22,881,300	9,897,448 10,654,894	389.842 924,287	_	55,566,877	_	51,641,173
TOTAL FUND EQUITY		10.920	21,087,476	22,881,300	10,034,094	924,207	_	22,000,011	_	32,120,113
TOTAL LIABILITIESAND FUND EQUITY	\$	25,569	, 22,243,529	33,720,352	15,920,949	1,105,052	\$_	73,015,451	\$_	70,324,895

See accompanying Independent auditors' report.

Restated for fund reclassifications.

CITY OF LODI ENTERPRISEFUNDS

${\tt COMBININGSTATEMENT} \textbf{OF} \ {\tt REVENUES}, \ {\tt EXPENSESAND}$

CHANGES IN FUND EQUITY

Year ended June 30,1996 (with comparative totals for June 30,1994)

							To	otals	
	Camp Hutchins	Electric	Sewer	Waler	Transit		1995		1994'
OPERATING REVENUES Chargesfor services	\$127,464	34,047,610	3,596,313	2,712,164	104,410	\$	40,587,961	\$	41,133,638
OPERATINGEXPENSES									
Personal services	99,165	2,853,241	960,435	569,262	474,622		4,956,725		4,622,668
Supplies, materials and services	17,476	4,973,282	1,188,551	833.681	545,154		7,558,144		4,022,000 2 2,256,698
Utilities	1,096	23,673,063	340,321	623,906	3,344		24,841,734		22,290,030
Depreciation and amortization	.,	500.745	668,716	301,215	93,379		1,564,055		1,469,307
TOTAL OPERATING EXPENSES	117,739	32,200,331	3,158,023	2,328,066	1,116,499		38,920,658		35,790,432
OPERATING INCOME (LOSS)	9,725	1,847,279	438.290	384.098	(1,012,069)		1,667,303		5,343,204
NONOPERATING REVENUES (EXPENSE)									
Sewer bondtaxes			186.361				186,361		195,194
Interest, net	902	466,710	(459.426)	27,815	35.311		73,312		(178,751)
Renl		4.345	144.462	15,460			164.267		211,779
Other, net		8111549	119406	<u>627,964</u>	563,401		2,122,320		1,514,462
TOTAL NONOPERATING REVENUES (EXPENSE)	902	1,284,604	(9,197)	671,239	598.712	_	2,546,260	_	1,742,704
INCOME (LOSS) BEFORE OPERATING TRANSFERS	10,627	3,131,883	429,093	1,055,337	(413,377)		4,213,563		7,085,906
OperalingTransfers in	640	610,747	152.392	502,035	329,017		1,594,830		6,977,292
OperalingTransfers o ut		(1,612,5221	(714.808)	(866,640)	(101,477)		(3,295,447)		(13,189,348)
Nel Operaling Transfers in (out)	640	(1,001,775)	(562,416)	(364,605)	227,540		(1,700,617)	_	(6,212,056)
Net income (loss)	11.267	2.130,108	(133.323)	690,732	(185,837)		2,512,946		873,852
Add Depreciation on contributed assets				20.166	93.379		113,545		20,456
Nel increase (decrease) to retained earnings	11,267	2,130,108	(133,323)	710,896	(92,458)		2,626,491	_	694,306
RETAINEDEARNINGS - BEGINNING OF YEAR, AS PREVIOUSLY REPORTE	ED 332	18,957,368	22,962,568	9,118,722			51,038,990		50,317,055
Adjustment lo retained earnings			52,055	67,628	462,300		602,183	_	429,810
RETAINED EARNINGS-BEGINNING OF YEAR, AS RESTATED	332	18,957,366	23,014,623	9,166,550	482,300	_	51,641,173		50,746,865
RETAINED EARNINGS • END OF YEAR	11,599	21,087,476	22,881,300	9,897,448	369,842		54,267,665	_	51,641,173
CONTRIBUTED CAPITAL Beginning of year, as previously reported				777.612			777,612		786.485
Adjustment to contributed capital					301,390		301.390		301,390
Conlribuledcapital-beginningof year, as restated				777.612	301,390		1,079,002		1,087,875
Depreciation on contributed assets Contributed assets	7,321			(20,166)	(93,379) 326,434		(113,545) 333,755		(20,456) 11,583
End of year	7,321			757,446	534,445		1,299,212		1,079,002
TOTAL FUND EQUITY	\$ 18,920	21,087,476	22,881,300	10,654,894	924,287	\$	55,566,877	s	52,720,175

[•] Restated for fund reclassifications.

See accompanying independent auditors' report.

CITY OF LODI

ENTERPRISEFUNDS

COMBINING STATEMENT OF CASH FLOWS

Year ended June 30,1995

(with comparative totals for the year ended June 30,1994)

							Totals				
<u></u>	Camp HutchIns	Electric	Sewer	Water	Transit	1995	1994				
Cash flows from operating activities:											
Operating Income (loss)	9,725	1,847,279	438,290	384.098	(1,012,089)	\$ 1,667,303 \$	5,343,204				
Adjustments to reconcile operating income (loss) to											
net cash provided (used) by operating activities:											
Depreciation amortization		500,745	668,716	301,215	93,379	1,564,055	1,469,307				
Change in assets and liabilities:				44.000		44.000	407.704				
Decrease in water loan receivable	(3,436)	(4CE C22)	(40,078)	41,082	835	41,082	127,731				
Increase (decrease) in accounts receivable	(3,430)	(165,632)	(40,076) 34,926	(18,327)	033	(226,637) 34,926	(487,675) (34,926)				
Decrease (increase) in property taxes receivable (Increase) decrease in interest receivable	(160)	(44,406)	2,174	(1,937)	(9,271)	(53,600)	(42,787)				
Decrease (increase) in due from other funds	(,	96.095	2,174	(1,007)	(436,445)	(340,350)	(73,592)				
Decrease in inventory		620,443	3,664	29,939	(430,443)	654,046	180,848				
(Increase) decrease in other assets		020,110	(655)	(90)	34,228	33,483	7,820				
Increase (decrease) in accounts payable and other liabilities	1,640	(556,802)	85,675	320,914	853	(147,720)	472,661				
Increase in accrued salaries and wages	1.411	13,433	9,528	3,742	11.120	39,234	14,099				
(Decrease) increase in accrued interest			(4,011)	283		(3,728)	(2,191)				
(Decrease) increase in due to other funds				(208,918)	164.278	(44,640)	(209,062)				
Increase (decrease) in compensated absences		239,118	(114,857)	(44,323)		79,938	15,731				
Increase (decrease) in deferred revenue			16,248			16,248	(16,248)				
Net cash provided (used) by operating activities	9,180	2,550,273	1,099,620	807,678	(1,153,112)	3,313,640	6,764,900				
Cash flows from noncapital financing activities:											
Operating transfers in	640	610,747	152,392	502,035	329,017	1,594,830	6,977,292				
Operating transfers out		(1,612,522)	(714,808)	(866,640)	(101,477)	(3,295,447)	(13,189,348)				
Other cash flows from noncapital activities		811,549	119,406	627,964	798,081	2,357,000	1,514,482				
Net cash provided by (used in) noncapital financing activities	640	(190,226)	(443,010)	263,359	1,025,621	656.383	(4,697,574)				
Cash flows from capital financing activities:											
Acquisition and construction of capital assets, net		(1,517,060)	(39,973)	(765,183)	(326,434)	(2,648,650)	(857,123)				
Principal payments-Certificates of Participation			(110,000)	((110,000)	(100,000)				
Interest payment - Certificates of Participation hater loan			(707,911)	(27,709)		(735,620)	(718,895)				
Sewer bond taxes-generalobligation bonds			186,361		200 404	186,361	195,194				
Capital contributed		(4 547 000)	(074 500)	(700,000)	326,434	326,434	11,583				
Net cash used by capital financing activities		(1,517,060)	(671,523)	(792,892)		(2,981,475)	(1,469,241)				
Cash flows from investing activities:											
Rent of City property		4,345	144,462	15,455		164,262	211,779				
Interest on investments	902	468,710	248,485	55,524	35,311	808,932	540,144				
Net cash provided by investing activities	902	473,055	392,947	70,979	35,311	973,194	751,923				
Net increase (decrease) in cash and cash equivalents	10,722	1,316,041	378,034	349,125	(92,180)	1,961,742	1,350,008				
Cash and cash equivalents at beginning of year	3,897	6,102,376	5,045,23,1	762,482	92,180	12,006,166	10,656,158				
Cash and cash equivalents at end of year *	14,619	7,418,417	5,423,265	1,111,607	0	\$ 13,967,908 \$	12,006,166				

SUPPLEMENTAL FINANCIAL STATEMENTS

INTERNAL SERVICE FUNDS

Internal Service Funds are maintained to account for the internal transfer of goods and services between operating units of the City. The purpose of an Internal Service Fund is to achieve a level of operating efficiency that may not be available if the same activities were performed by multiple organizations.

Equipment Maintenance and Motor Pool

The equipment maintenance and motor pool is used to account for the operation, maintenance and timely replacement of the City's fleet of vehicles which serves the transportation needs of all city departments and divisions.

Claims and Benefits Funds

The City of Lodi maintains an internal service fund to account for the following insurance and certain employee benefits:

General Liability Workers Compensation Dental Chiropractic

Life/accidental insurance

Medical

Employee assistance program Employee recognition program Unemployment insurance Flexible spending program Long Term Disability

CITY OF LODI INTERNAL SERVICE FUNDS COMBINING BALANCE SHEET

June 30,1995

(with **comparative** totals for June 30,1994)

		Equipment Maintenance and	Claims and Benefits		ר		
		Motor Pool	Fund		1995		1994
ASSETS							
Cash and investments Receivables:	\$		1,616,925	\$	1,616,925	\$	2,118,277
Accounts			188		188		125
Interest			27,802		27,802		25,231
Due from other funds			11,033		11,033		22,010
Inventory		75,047			75,047		53,903
Fixed assets (net)		131,192			131,192		151,677
TOTAL ASSETS	\$_	206.239	1,655,948	\$	1,862,187	\$_	2,371,223
LIABILITIES AND FUND EQUITY							
LIABILITIES	æ	04 404	74.000	ф	05.700	ф	67.004
Accounts payable and other liabilities	\$	21,434	74,326	\$	95,760	\$	67,031
Accrued salaries and wages		9,256			9,256		8,919
Due to other funds		11,033	2.764.000		11,033		22,010
Self-insurance reserve	_	41,723	3,764,898		3,764,898	_	3,809,533 3,907,493
TOTAL LIABILITIES		41,723	3,839,224		3,880,947		3,907,493
FUND EQUITY (DEFICIT)							
Contributed capital		131,192			131,192		151,677
Retained earnings (deficit)		33,324	(2,183,276)		(2,149,952)		(1,687,947)
TOTAL FUND EQUITY (DEFICIT)	_	164,516	(2,183,276)		(2,018,760)		(1,536,270)
TOTAL LIABILITIESAND FUND EQUITY (DEFICIT)	\$_	206,239	1,655,948	\$	1,862,187	\$ <u>_</u>	2,371,223

CITY OF LOD! INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY (DEFICIT)

Year ended June 30,1995

(with comparative totals for the year ended June 30,1994)

Equipment	

		Maintenance and	Claims and Benefits	Т	otals	
	_	Motor Pool	Funds	1995		1994
OPERATING REVENUES						
Charges for services	\$_	791.958	2,651,470 \$	3,443,428	\$_	1,736,705
OPERATINGEXPENSES						
Personal services		341,335	245,368	586,703		421,364
Supplies, materials and services		433.528	3,307,795	3,741,323		1,970,868
Utilities		479		479		438
Depreciation		15,822		15.822		16.755
Claims payments	-	704.464	590,259	590,259	_	463.435
TOTAL OPERATING EXPENSES	-	791,164	4,143.422	4,934,586	_	2,872,860
OPERATING INCOME (LOSS)		794	(1,491,952)	(1,491,158)		(1,136,155)
NONOPERATING REVENUES						
Interestrevenue			91,621	91,621		88,804
Other, net			74,850	74,850		179,335
TOTAL NONOPERATING REVENUES			166,471	166,471		268.139
INCOME (LOSS) BEFORE OPERATING TRANSFERS		794	(1,325,481)	(1,324,687)		(868,016)
Operating transfers in		15,872	830,988	846.860 .		341,057
Operating transfers out			000 000	0.40.000	_	(114,385)
Net operating transfers		15.872	830.988	846,860	_	226,672
Net income (loss)		16.666	(494,493)	(477,827)		(641.344)
Add: Depreclationon contributed assets		15,822		15,822	_	16,755
Net Increase (decrease) to retained earnings		32,488	(494,493)	(462,005)		(624.589)
RETAINED (DEFICIT) EARNINGS - BEGINNING OF YEA	AR .	836	(1,688,783)	(1 687,947)	_	(1,063,358)
RETAINED (DEFICIT) EARNINGS - END OF YEAR		33,324	(2,183,276)	(2,149,952)	_	(1,687,947)
CONTRIBUTED CAPITAL:						
Beginningof year Depreciation on contributed assets		151,677		151,677		(40 TEE)
•		(15,822)		(15.822)		(16.755)
Contributedassets-transferredto General Fund		(4,663)		(4,663) 131.192	_	168.432 151,677
End of year		131,192	-	131.192	_	131,077
TOTAL FUND EQUITY (DEFICIT) \$	i	164,516	(2,183,276) \$	(2,018,760)	\$	(1,536,270)

CITY OF LODI

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

Year ended June 30,1995

(with comparative totals for the year ended June 30,1994)

		Equipment Maintenance and	Claims and Benefits		Т		
	_	Motor Pool	Funds		1995		1994
Cash flows from operating activities:	_						
Operating income (loss)	\$	794	(1,491,952)	\$	(1,491,158)	\$	(1,136,155)
Adjustments to reconcile operating loss to net cash used in operating activities:							
Depreciation		15,822			15,822		16,755
Changes in assets and liabilities:							
(Increase) decrease in accounts receivables			(63)		(63)		244
Increase in interest receivables			(2,571)		(2,571)		(4,932)
Decrease (increase) in due from other funds			10,976		10,976		(22,010)
Increase in inventory		(21,148)			(21,148)		(53,903)
(Decrease) increase in accounts payable and other liabilities		(702)	29,434		28,732		`31,811 [′]
Increase in accrued salaries and wages		338			338		8,919
(Decrease) increase in due to other funds		(10,976)			(10,976)		22,010
(Decrease) increase in self-insurance reserve			(44,635)		(44,635)		718,852
Net cash used in operating activities .	_	(15,872)	(1,498,811)		(1,514,683)		(418,409)
Cash flows from noncapital financing activities:							
Operating transfers in		15,872	830,988		846,860		341,057
Operating transfers out							(114,385)
Other cash flows from noncapital activities	_		74,850		74,850		179,335
Net cash provided by noncapital financing activities	_	15,872	905,838		921,710	_	406,007
Cash flows from investing activities:							
Interest on investments	_		91,621		91,621		88,804
Net cash provided by investing activities	-		91,621	_	91,621	_	88,804
Net (decrease) increase in cash and cash equivalents			(501,352)		(501,352)		76,402
Cash and cash equivalents at beginning of year	_		2,118,277		2,118,277	_	2,041,875
Cash and cash equivalents at end of year	\$_		1,616,925	\$ <u>_</u>	1,616,925	\$_	2,118,277

SUPPLEMENTAL FINANCIAL STATEMENTS

TRUST AND AGENCY FUNDS

The City has established the following expendable trusts and agency funds, which are used to account for funds held by the City in a trustee capacity or as an agent for private individuals, organizations or other governmental agencies:

Expendable Trust Funds

Private Sector Trust Fund

This fund was established to account for assets held and invested by the Library Board as trustee. The funds can be spent by the Library in accordance with trust agreements.

Hutchins Street Square Bequest

This fund was established to account for assets held by the City as trustee. The principal and earnings of the trust can be spent by the City in accordance with the trust agreement on behalf of Hutchins Street Square.

Miscellaneous Expendable Trust

This fund was established to account for nominal sums of moneys held by the City as trustee. It is believed that these sums will be spent within a short span of time.

Agency Funds

Deferred Compensation Fund

This fund was established to account for assets held by the City's agent on behalf of City employees under a Section 457 Plan of the Internal Revenue Code.

Special Assessments

This fund was established to account for special assessments collected on the property tax roll by the City on behalf of the property within the IndustrialWay Beckman Districts.

CITY OF LODI TRUST AND AGENCY FUNDS COMBINING BALANCE SHEET

June **30,1995**

(with comparative totals for June 30,1994)

			ExpendableTrust	Funds	Agency					
		Private	Hutchins Street	Miscellaneous	Deferred	Special		To	Totals	
		Sector	Square Bequest	ExpendableTrust	Compensation	Assessments		1995		1994
ASSETS						_	•			
Cash and Investments	\$	346,123	19,729	76,876	11,519,999	311,457	\$	12,274,184	\$	10,837,237
Receivables:										
Accounts				152				152		147
Interest			238			2,933		3,171		3,991
Other assets	_			841				841		750
TOTALASSETS	\$_	346,123	19,967	77,869	11,519,999	314,390	\$	12,278,348	\$	10,842,125
LIABILITIES AND FUND BALANCE LIABILITIES Accounts payable and other liabilities Deferred compensation benefits payable	\$_			77,869	11,519,999	314,390	\$	392,259 11,519,999	\$	351,740 10,152,148
TOTAL LIABILITIES				77,869	11,519,999	314,390		11,912,258		10,503,888
FUND BALANCE Fund balance unreserved-designated for: Specific projects and programs	_	346,123	19,967					366,090		338,237
TOTAL LIABILITIES AND FUND BALANCE	\$_	346,123	19,967	77,869	11,519,999	314,390	\$	12,278,348	§	10,842,125

CITY OF LODI

EXPENDABLE TRUST FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Year ended June 30,1995 (with comparative totals for the year ended June 30,1994)

	Priva Secto				tals 1994
REVENUES Interest and rental income Total revenues		,767 <u>5,086</u> ,767 <u>5,086</u>	\$ <u>4,348</u> 4,348		\$ 16,752 16,752
EXPENDITURES Current Capital outlay Total expenditures					308 308
EXCESS OF REVENUE OVER EXPENDITURES	22	5,086	4,348	32,201	16,444
OTHER FINANCING SOURCES Operating transfers in Operating transfers out Total other financing sources			602 (4,950 (4,348	(4,950)	
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES	22	2,767 5,086		27,853	16,444
FUND BALANCE, BEGINNING OF YEAR	323	3,356 14,881		338,237	321,793
FUND BALANCE, END OF YEAR	\$346	5,123 19,967	\$	366,090	\$ 338,237

CITY OF **LODI** AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

Year ended June 30,1995 (with comparative totals for June 30,1994)

		Deferred Compensation				Special Assessments						Totals			
	•	Balance 7/1/94	Additions	Deductions	Balance 6/30/95	_	Balance 7/1/94	Additions	Deductions	Balance 6/30/95		1995	1994		
ASSETS	-					_					_				
Cash and investments	\$	10,152,148	2,313,133	945,282	11,519,999	\$	298,136	13.321		311,457	\$	11,831,456	10,450,284		
Interest receivable						_	3,804	2,933	3,804	2,933	_	2,933	3,804		
TOTAL ASSETS	\$_	10,152,148	2,313,133	945,282	11,519,999	\$_	301,940	16,254	3,804	314,390	\$_	11,834,389	10,454,088		
LIABILITIES															
Accounts payable and other liabilities	\$					\$	301,940	12,450		314,390	\$	314,390	301,940		
Deferred compensation benefits paya	ble .	10,152,148	2,313,133	945,282	11,519,999	_					_	11,519,999	10,152,148		
TOTAL LIABILITIES	\$	10,152,148	2,313,133	945,282	11,519,999	\$_	301,940	12,450		314,390	\$ ===	11,834,389	10,454,088		

SUPPLEMENTAL SCHEDULES

GENERAL FIXED ASSETS

GENERAL LONG-TERM OBLIGATIONS

General Fixed Assets Account Group

All of the City's fixed assets of a tangible nature, except those relating to the proprietary fund types, are accounted for in this Account Group. As these assets are not financial resources available for expenditure or appropriation, they are not accounted for with Governmental Funds, but as an account group; and exist solely as accounting records of the City's fixed assets. The City's general fixed assets have been accounted for at cost, and do not include public domain or infrastructurefixed assets such as roads, bridges, storm drains or sidewalks, as these assets are immovable and only of value to the City.

General Long Term Obligations Account Group

The City's long term obligations, except those relating to the proprietary fund types, are accounted for in this Account Group. These liabilities are backed by the full faith and credit of the City, which means that the debt is secured by the general taxing authority of the City. Included in long-term obligations are:

- * General obligation bonds
- Special assessment district bonds
- Compensated absences
- * Capitalized lease obligations

CITY OF LODI COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS June 30,1995 and 1994

General fixed assets:	 1995		1994
Land Buildings and improvements Machinery and equipment Vehicles Construction in progress Capital lease assets	\$ 16,469,241 23,033,623 2,476,864 2,681,070 138,705 706.024	\$	16,469,241 22,801,577 2,148,969 2,499,245 232,046 722,862
Total	\$ 45,505,527	\$	44,873,940
Investment in general fixed assets:			
Prior year balances (as of June 30,1991)	\$ 42,965,286	\$	42,965,286
General fund	1,436,324		874,099
Special revenue funds	7,800		309,189
Capital projects funds	 1,096,117	_	725,366
Total	\$ 45,505,527	\$	44,873,940

CITY OF LODI SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTIONAND ACTIVITY June 30,1995

Function and Activity	_	Land	Buildings and Improvements	Machinery and Equipment	Vehicles	Capital Lease Assets	Construction in Progress	-	Total
General Government:									
City clerk City manager Finance	\$			20,291 55,178 475,391	38,287 137,237			\$	20,291 93,465 612,628
Total General Government	\$_			550,860	175,524			\$_	726,384
Public protection Public works Library Parks and recreation Non-departmental	\$	258,503 429,188 205,286 11,346,407 4,229,857	739,337 708,540 328,524 20,627,690 629,532	913,165 461,922 8,581 317,365 224,971	1,259,944 1,020,849 224,753	547,571 158,453	138,705	\$	3,718,520 2,778,952 542,391 32,516,215 5,223,065
Total general fixed assets allocated to functions	\$_	16,469,241	23,033,623	1,926,004	2,505,547	706,024	138,705	\$_	44,779,143
Total general fixed assets	\$_	16,469,241	23,033,623	2,476,864	2,681,070	706,024	138,705	\$_	45,505,527

CITY OF LODI SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY FOR THE FISCAL YEAR ENDED JUNE 30,1995

Function and Activity		General Fixed Assets June 30,1994	Additions	Deductions	General Fixed Assets June 30, 1995
General Government:					
City clerk	\$	24,584		(4,293) \$	20,291
City manager	•	89,786	3,679	(.,=00) Ф	93,465
Finance		570,353	47,920	(5,645)	612,628
	•	<u>, </u>			312,020
Total General Government	\$	684,723	51,599	(9,938) \$	726,384
Public protection Public works		3,190,361 2,619,465	528,159 179,220	(40.722)	3,718,520
Library			179,220	(19,733)	2,778,952
Parks and recreation		542,391 32,451,251	72 205	(7,321)	542,391
			72,285	• •	32,516,215
Non-departmental		5,385,749	138.705	(301,389)	5,223,065
Total general fixed assets					
allocated to functions	\$	44,189,217	918,369	(328,443) \$	44,779,143
Total general fixed assets	\$	44,873,940	969,968	(338,381) \$	45,505,527

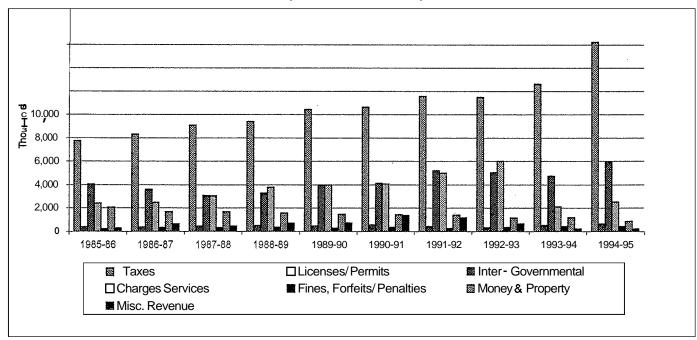
CITY OF LODI COMPARATIVE SCHEDULES OF GENERAL LONG-TERM OBLIGATIONS June 30,1995 and 1994

	_	1995		1994
Amount to be provided for retirement			_	_
of general long-term obligations	\$	4,552,805	\$	4,445,938
Amount available in debt service	_	263,014	_	254,528
T. ()	_		_	
Total	\$_	4,815,819	\$_	4,700,466
General Long-term Obligations				
control and contro				
Compensated absences	\$	4,066,678	\$	3,637,283
Capitalized lease obligations		299,141		303,183
General obligation bonds payable		290,000		570,000
Special assessment district bonds payable				
with government commitment .	_	160,000	_	190,000
	_			
Total	\$ <u>_</u>	4,815,819	\$_	4,700,466

STATISTICAL TABLES

UNAUDITED

CITY OF LODI GENERAL GOVERNMENTAL REVENUES BY SOURCE LAST TEN FISCAL YEARS (Amounts in Thousands)



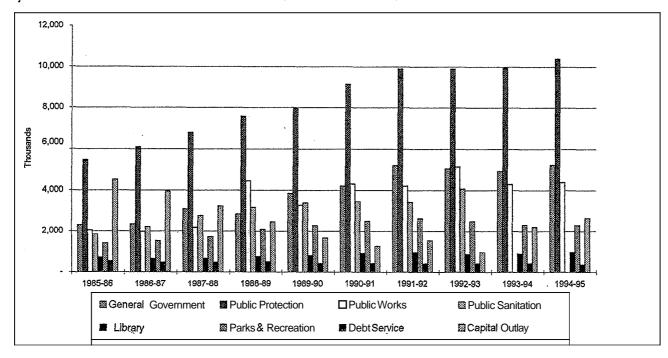
	Licenses/	Inter -	Charges	Fines, Forfeits/		Misc.	
Taxes	Permits	Governmental	Services	Penalties	Property	Revenue	Total
7,724 \$	367 \$	4,035 \$	2,390 \$	216 \$	2,048 \$	273 \$	17,053
8,297	371	3,592	2,478	. 311	1,667	628	17,344
9,079	427	3,067	3,027	316	1,675	441	18,032
9,393	470	3,261	3,770	338	1,558	679	19,469
10,409	460	3,984	3,966	282	1,438	699	21,238
10,623	545	4,134	4,062	341	1,406	1,341	22,452
11,556	420	5,213	5,003	252	1,380	1,139	24,963
11,462	317	5,049	5,975	338	1,136	649	24,926
12,579	507	4,756	2,100 *	407	1,157	199	21,705
16,209 **	634	5,928	2,517 *	406	840	201	26,735
	7,724 \$ 8,297 9,079 9,393 10,409 10,623 11,556 11,462 12,579	Taxes Permits 7,724 \$ 367 \$ 8,297 371 9,079 427 9,393 470 10,409 460 10,623 545 11,556 420 11,462 317 12,579 507	Taxes Permits Governmental 7,724 \$ 367 \$ 4,035 \$ 8,297 371 3,592 9,079 427 3,067 9,393 470 3,261 10,409 460 3,984 10,623 545 4,134 11,556 420 5,213 11,462 317 5,049 12,579 507 4,756	Taxes Permits Governmental Services 7,724 \$ 367 \$ 4,035 \$ 2,390 \$ 8,297 371 3,592 2,478 \$ 9,079 427 3,067 3,027 \$ 9,393 470 3,261 3,770 \$ 10,409 460 3,984 3,966 \$ 10,623 545 4,134 4,062 \$ 11,556 420 5,213 5,003 \$ 11,462 317 5,049 5,975 \$ 12,579 507 4,756 2,100 *	Taxes Permits Governmental Services Penalties 7,724 \$ 367 \$ 4,035 \$ 2,390 \$ 216 \$ 8,297 371 3,592 2,478 311 9,079 427 3,067 3,027 316 9,393 470 3,261 3,770 338 10,409 460 3,984 3,966 282 10,623 545 4,134 4,062 341 11,556 420 5,213 5,003 252 11,462 317 5,049 5,975 338 12,579 507 4,756 2,100 * 407	Taxes Licenses/ Permits Inter Governmental Governmental Charges Services Fines, Forfeits/ Penalties Money & Property 7,724 \$ 367 \$ 4,035 \$ 2,390 \$ 216 \$ 2,048 \$ 311 1,667 8,297 371 3,592 2,478 311 1,667 1,667 3,007 316 1,675 3,393 470 3,261 3,770 338 1,558 1,438 10,409 460 3,984 3,966 282 1,438 10,623 545 4,134 4,062 341 1,406 11,556 420 5,213 5,003 252 1,380 11,462 317 5,049 5,975 338 1,136 1,157	Taxes Permits Governmental Services Penalties Property Revenue 7,724 \$ 367 \$ 4,035 \$ 2,390 \$ 216 \$ 2,048 \$ 273 \$ 8,297 371 3,592 2,478 311 1,667 628 628 9,079 427 3,067 3,027 316 1,675 441 1,675 441 441 9,393 470 3,261 3,770 338 1,558 679 679 10,409 460 3,984 3,966 282 1,438 699 699 10,623 545 4,134 4,062 341 1,406 1,341 1,406 1,341 11,556 420 5,213 5,003 252 1,380 1,139 1,139 11,462 317 5,049 5,975 338 1,136 649 12,579 507 4,756 2,100 * 407 1,157 199

General Governmental Revenues includes General, Special Revenue, Debt Service and Capital Projects Funds. Excludes Expendable Trusts. SOURCE: City Finance Department

^{*} Due to change in accounting for refuse revenue.

^{**}Due to in-lieu taxes from Enterprise Funds.

CTIY OF LODI GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION LAST TEN FISCAL YEARS (Amounts in Thousands)



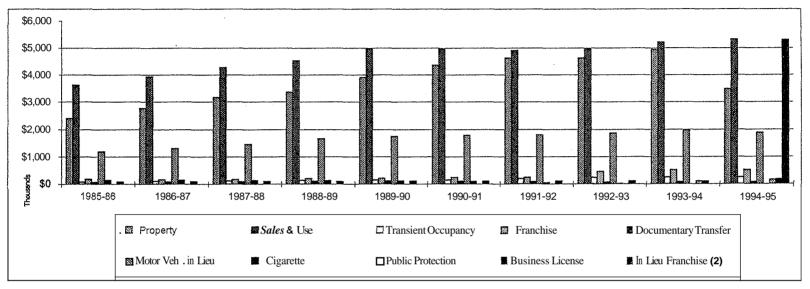
Fiscal Year	General Government	Public Protection	Public Works	Sanitation	Library	Parks & Recreation	Debt Service	Capital Outlay	Total
1985-86	\$ 2,296	\$ 5,462 \$	2,048 \$	1,824 \$	695 '\$	1,394 \$	524 '\$	4,508 \$	18,751
1986-87	2,346	6,098	1,991	2,202	635	1,503	451	3,938	19,164
1987-88	3,082	6,796	2,182	2,757	654	1,695	456	3,235	20,857
1988-89	2,837	7,574	4,446	3,164	738	2,084	475	2,457	23,775
1989-90	3,839	7,956	3,284	3,385	788	2,265	399	1,651	23,567
1990-91	4,209	9,141	4,301	3,449	904	2,485	406	1,243	26,138
1991-92	5,186	9,903	4,204	3,424	949	2,632	395	1,519	28,212
1992-93	5,033	9,903	5,128	4,063	852	2,487	396	941	28,803
1993-94	4,908	9,949	4,296	0 *	881	2,307	405	2,203	24,949
1994-95	5.211	10,401	4.382	0 *	956	2,299	345	2.652	26,246

General Governmental Expenditures includes General, Special Revenue, Debt Service and Capital Projects Funds. Excludes Expendable Trusts.

SOURCE: City Finance Department

* Due to change in accounting for refuse expenditures.

CITY OF LODI GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE LAST TEN FISCAL YEARS (Amounts in Thousands)



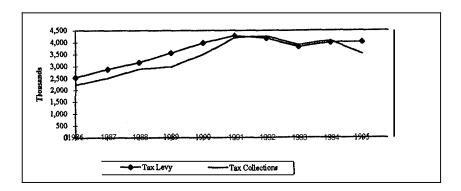
Fiscal Year	Property	Sales & Use	Transient Occupancy	Franchise	Documentary Transfer	Motor Veh . in Lieu	Cigarette	Public Protection	Business License	In Lieu Franchise (2)	Total (1)
1985-86 \$	2,392 \$	3,616	\$ 76	\$ 177	\$ 72	\$ 1,181	\$ 133	\$ -	\$ 78	\$ - 9	7,725
1986-87	2,762	3,925	110	155	83	1,298	133		85		8,551
1987-88	3,158	4,264	119	164	85	1,460	123		89		9,462
1988-89	3,356	4,526	136	192	100	1,666	117		91		10,184
1989-90	3,902	4,970	144	210	112	1,746	107		96		1 1,287
1990-91	4,348	4,962	151	238	98	1,787	90		93		11,767
1991-92	4,620	4,909	200	235	79	1,799	43		95		11,980
1992-93	4,618	4,968	236	447	58	1,868	7		95		12,297
1993-94	4,950	5,221	247	508	68	1,972		98	92		13,156
1994-95	3,466	5,320	248	506	68	1,885		149	169	5,300	17,111

⁽¹⁾ General government; tax revenues are included in taxes, licenses and ermits, intergovernmental revenues and miscellaneous revenue of the City's General Fund.

(2) First year of In-Lieu Tax.

SOURCE: City Finance Department

CITY OF LODI SECURED TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS (Amounts in Thousands)



Fiscal Year	Total Tax Levy	1	Current Year's Tax Collections	Percent of Collections to Tax Levy	Delinquent Tax Collections	Total Tax Collections	of Total Collections to Tax Levy
 1986	\$ 2,545	\$	2,133	83.8%	\$ 97	\$ 2,230	87.6%
1987	2,883		2,404	83.4%	112	2,516	87.3%
1988	3,153		2,693	85.4%	191	2,884	91.5%
1989	3,569		2,886	80.9%	90	2,976	83.4%
1990	3,985		3,296	82.7%	204	3,500	87.8%
1991	4,286		3,847	89.8%	351	4,198	97.9%
1992	4,175		4,105	98.3%	169	4,274	102.4%
1993	3,829		3,809	99.5%	90	3,899	101.8%
1994	3,994		3,461	86.7%	624	4,085	102.3%
1995	4.028		3.516	87.3%	9	3,525	87.5%

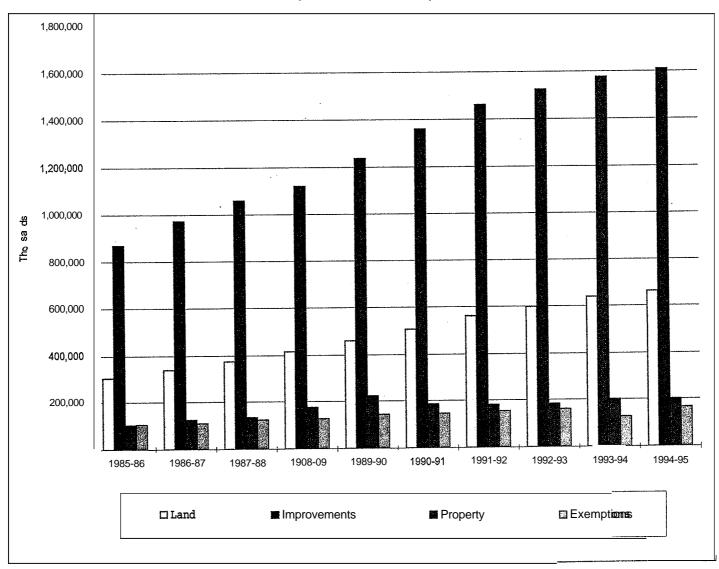
SOURCE: City FinanceDepartment

CITY OF LODI

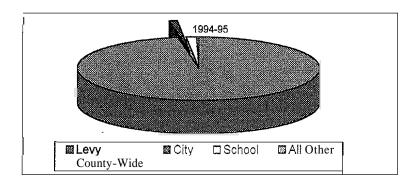
ASSESSED FULL CASH VALUE OF ALL TAXABLE PROPERTY LAST TEN FISCAL YEARS (Amounts In Thousands)

Fiscal Year	_	Secured Roll	_	Mineral Roll	_	Utility Roll		Unsecured Roll	_	Tax Roll	_!	Less Exemptions	_	Net Tax Roll
1985-86	\$	1,171,959	\$		\$	36,845	\$	67,723	\$	1,276,527	\$	105,657	\$	1,170,870
1986-87		1,323,239				39,917		72,211		1,435,367		110,029		1,325,338
1987-88		1,442,628				41,897		83,883		1,568,408		123,842		1,444,566
1988-89		1,615,433				4,294		89,342		1,709,069		127,256		1,581,813
1989-90		1,799,281		7 72		4,190		116,232		1,919,775		143,267		1,776,508
1990-91		1,948,698		12		2,712		99,114		2,050,536		145,148		1,905,388
1991-92		2,097,616		12		2,748		102,918		2,203,294		152,569		2,050,725
1992-93		2,200,557		12		2,782		100,982		2,304,333		160,068		2,144,265
1993-94		2,305,937		12		2,736		107,151		2,415,836		125,486		2,290,350
1994-95		2,353,069				3,504		115,180		2,471,753		164,592		2,307,161
Fiscal Year		Land	<u>tn</u>	nprovements	_	Personal Property	_	Total	_	Less Exemptions	_	let Assessed Value		
1985-86	\$	303,161	\$	870,166	\$	103,200	\$	1,276,527	\$	105,657	\$	1,170,870		
1986-87		330,484		972,458		124,425		1,435,367		110,029		1,325,338		
1987-88		374,723		1,059,697		133,988		1,568,408		123,842		1,444,566		
1988-89		415,277		I,1 18,903		174,889		1,709,069		127,256		1,581,813		
1989-90		459,095		1,237,487		223,193		1,919,775		143.267		1,776,508		
1990-91		507,046		1,358,841		184,649		2,050,536		145,148		1,905,388		
1991-92		561,505		1,461,124		180,665		2,203,294		152,569		2,050,725		
1992-93		597,785		1,524,596		181,952		2,304,333		160,068		2,144,265		
1993-94		639,421		1,575,675		200,740		2,415,836		125,486		2,290,350		
1994-95		663,227		1,608,564		199.962		2,471,753		164,592		2,307,161		

CITY OF LODI ASSESSED FULL CASHVALUE OF ALL TAXABLE PROPERTY LAST TEN FISCAL YEARS (Amounts in Thousands)



CITY OF LODI
PROPERTY TAX RATES - DIRECT & OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
Per \$100.00 of Assessed Value



Fiscal	Basic County-Wide				
<u>Year</u>	Levy	City	<u>School</u>	All Other	Total
1985-86	1.0000	0.0355	0.0248	0.0034	1.0637
1986-87	1.0000	0.0281	0.0248	0.0034	1.0563
1987-88	1.0000	0.0281	0.0248	0.0034	1.0563
1988-89	1.0000	0.0281	0.0248	0.0034	10563
1989-90	1.0000	0.0177	0.0248	0.0034	1.0459
1990-91	1.0000	0.0170	0.0248	0.0034	1.0452
1991-92	1.0000	0.0153	0.0248	0.0034	1.0435
1992-93	1.0000	0.0150	0.0248	0.0034	1.0432
1993-94	1.0000	0.0146	0.0248	0.0034	1.0428
1994-95	1.0000	0.0126	0.0140	0.0034	1.0300

SOURCE: San Joaquin County Auditor/Controller's Office

CITY OF LODI

SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS LAST TEN FISCAL YEARS (Amounts in Thousands)

Fiscal Year	Current Assessments <u>Due</u>	Current Assessments Collected	Total Collection As Percent of Current Assessments	Total Outstanding Current and Delinquent Assessments
1985-86	\$ 308	\$ 277	89.9%	\$ 31
1986-87	294	263	89.5%	31
1987-88	284	277	97.5%	7
1988-89	269	247	91.8%	22
1989-90	183	177	96.7%	6
1990-91	182	178	97.8%	4
1991-92	178	140	78.7%	38
1992-93	49	46	93.9%	3
1993-94	52	52	100.0%	0
1994-95	49	48	98.0%	1

SOURCE: City Finance Department

CITY OF LOD!

RATIO OF NET GENERAL BONDED DEBT TO TAXABLE ASSESSED VALUE AND NET BONDED DEBT PER CAPITA LAST TEN FISCAL YEARS (Amounts in Thousands)

Fiscal	Bandata	Gross Assessed		Gross Bonded	Debt Payable From Enterprise		Net Bonded	Percent of Net Bonded Debt to	E	Net Bonded Debt
Year_	<u>Population</u>	Value	-	Debt	Revenue	•	Debt	A <u>ssessed Valu</u> e		Per Capita
1985-86	41	\$ 1,276,527	\$	3,482	\$	\$	3,482	0.2728%	\$	84.35
1986-87	43	1,435,367		3,133			3,133	0.2183%		72.37
1987-88	46	1,568,408		2,759			2,759	0.1759%		60.25
1988-89	48	1,709,069		11,287	8,917		2,370	0.1387%		49.33
1989-90	49	1,919,775		10,912	8,834		2,078	0.1082%		42.22
1990-91	53	2,050,536		10,247	8,746		1,501	0.0732%		28.57
1991-92	53	2,203,294		12,375	11,170		1,205	0.0547%		22.74
1992-93	53	2,304,333		11,250	10,355		895	0.0388%		16.79
1993-94	54	2,415,837		10,840	10,270		570	0.0236%		10.58
1994-95	55	2,471,754		10,464	10,174		290	0.0117%		5.30

SOURCE: State Controller's Office
City Finance Department

CITY OF LODI

COMPUTATION OF DIRECT AND OVERLAPPING GENERAL BONDED DEBT June 30,1995

		Total G.O. Bond Debt	Percent Applicable	City's Share
DIRECT DEBT: GENERAL OBLIGATION BONDS	\$	290,000	100.00%	\$ 290,000
OVERLAPPING DEBT: NONE		0		0
Total	\$	290,000	\$ 290,000	
		T RATIOS 30,1995		
Ratio of Direct Overlapping Debt to Assessed	l Full Cash	Value = 290,00012,47	71,754,000	0.01%
Direct and Overlapping Debt Per Capita = 290	0,000154,70	00		\$5
Taxable Assessed Full Cash Values Per Cap	ita = 2,471,	754,000154,700		\$45,187

SOURCE: City Finance Department

CITY OF LODI

COMPUTATION OF LEGAL DEBT MARGIN JUNE 30,1995

Assessed Full Cash Value as of June 30,1995 (1)	\$ <u></u>	2,471,754,000
Debt Limit - 15 Percent of Assessed Full Cash Value (2)	\$	370,763,100
Amount of Debt Applicable to Debt Limit	_	0
LEGAL DEBT MARGIN	\$	370,763,100

- (1) Assessed Value before exemptions applicable to 1994-95 Tax ${\rm Roll}$ (2) Section 43605 California Government Code

SOURCE: San Joaquin County Auditor/Controller's Office City Finance Department

CITY OF LODI

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES LAST TEN FISCAL YEARS (Amounts in Thousands)

Fiscal <u>Year</u>	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Percent of Debt Service to General Fund Expenditures
1985-86	\$ 119	\$ 58	\$ 177	\$ 12,840	1.38%
1986-87	121	54	175	14,041	. 1.25%
1987-88	130	49	179	15,988	1.12%
1988-89	132	43	175	17,917	0.98%
1989-90	136	38	174	19,140	0.91%
1990-91	145	33	178	21,704	0.82%
1991-92	147	27	174	23,251	0.75%
1992-93	156	21	177	25,682	0.69%
1993-94	165	15	180	26,900	0.67%
1994-95	114	8	122	21,981	0.56%

SOURCE: City **Finance Department**

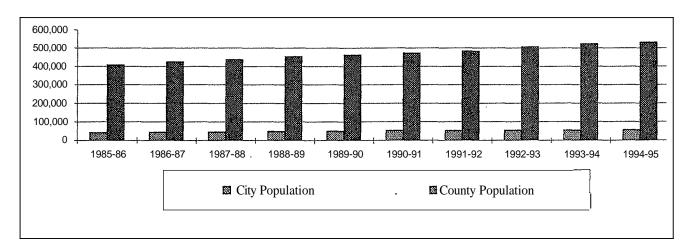
CITY OF LODI

REVENUE BOND COVERAGE LAST TEN FISCAL YEARS

Fiscal		Gross		Direct Operating		Net Revenue Available For Debt				Fiscal Year's e Requirements	
Year	_	Revenue	_	Expense	_	Service	•	Principal	Interest	Total	Coverage
1985-86	\$	1,877,451	\$	1,118,111	\$	759,340	\$	\$	\$;	
1986-87		2,378,602		1,395,754		982,848					
1987-88		3,522,881		2,100,973		1,421,908					
1988-89		3,371,760		1,509,699		1,862,061		100,000	711,085	811,085	2.30
1989-90		3,490,019		1,545,376		1,944,643		105,000	705,835	810,835	2.40
1990-91		3,743,712		1,746,750		1,996,962		110,000	700,060	810,060	2.47
1991-92		3,941,414		2,394,811		1,546,603			483,493	483,493	3.20
1992-93		2,923,038		2,009,791		913,247		330,000	710,390	1,040,390	0.88
1993-94		3,454,258		2,030,628		1,423,630		100,000	705,690	805,690	1.77
1994-95		3,596,313		2,489,307		1,107,006		110,000	700,355	810,355	1.37

SOURCE: City of Lodi Finance Department

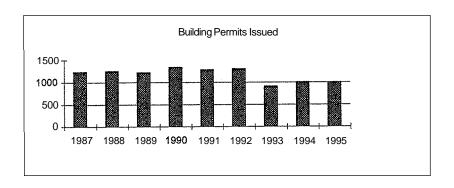
CITY OF LODI DEMOGRAPHIC STATISTICS LAST TEN FISCAL YEARS



Fiscal Year	Square Miles	City Population	Population Percent Change	San Joaquin County Population	Population Percent of County	Rank in Size of California Cities
1985-86	9.30	41,281	4.6%	407,500	10.1%	116
1986-87	9.30	43,293	4.9%	423, 1 54	10.2%	115
1987-88	9.45	45,794	5.8%	435,700	10.5%	113
1988-89	9.45	48,042	4.9%	451,000	10.7%	112
1989-90	9.45	49,221	2.5%	460,227	10.7%	111
1990-91	10.70	52,539	6.7%	470,934	1.2%	113
199 1-92	11.30	53,000	0.9%	480,628	11.0%	113
1992-93	1 I .82	53,300	0.6%	503,400	10.6%	120
1993-94	12.14	53,903	1.1%	521,500	10.3%	124
1994-95	12.32	54.700	1.5%	530,700	10.3%	121

SOURCE: State of California, Department of Finance, Demographic Research Unit. City Finance Department Budget

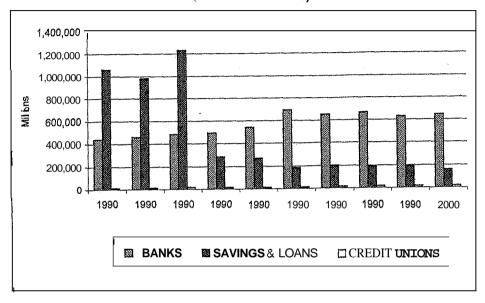
CITY OF LODI CONSTRUCTION ACTIVITY LAST TEN FISCAL YEARS



	Number of		Estimated	
Fiscal	Building Permits	Percent	Valuation	Percent
Year	Issued	Change	(in thousands)	Change
1986	1079	9.77%	\$ 74,812	95.85%
1987	1230	13.99%	65,363	-12.63%
1988	1249	1.54%	70,828	8.36%
1989	1218	- 2.48%	56,660	-20.00%
1990	1332	9.36%	50,938	-10.10%
1991	1279	- 3.98%	40,634	-20.23%
1992	1300	1.64%	27,009	-33.53%
1993	903	-30.54%	18,123	-32.90%
1994	995	10.19%	31,517	73.91%
1995	994	10%	44,881	42.40%

SOURCE: City Community Development Department

CIN OF LODI BANK DEPOSITS LAST TEN FISCAL YEARS (Amounts in Millions)



Fiscal				SAVINGS &	CREDIT	
Year		BANKS		LOANS	 UNIONS	
1986	- _{\$} —	436,060	- \$	1,058,496	\$ 9,220	
1987		458,250		980,062	12,439	
1988		480.454		1,228,694	15,418	
1989		492,636		282,339	14,111	
1990		540,545		267,501	12,813	
1991		691,677		183,936	12,465	
1992		649.252		198,756	13,993	
1993		666,342		191.014	15,405	
1994		627,132		186,159	6 ,689	
1995		643,109		159,276	16,036	

Source: California State Department of Banking-Licensing & Statistics Section

CITY OF LODI PRINCIPAL EMPLOYERS JUNE 30,1995

Employer	Activity	Employees
Lodi Unified School Dist.	Education	2,247
General Mills	Cereals and Food Mixes	852
Lodi Memorial Hospital	Health Care	650
Pacific Coast Producers	Can Manufacturer and Cannery	530
City of Lodi	Government	379
Wal-Mart	General Merchant	226
Canondaigua Winery	Wines, Brandy and Champagne	220
Target	General Merchant	200
Robertson-Ceco	Steel Buildings	150-200
Valley Industries	Trailer Hitches	191
Interlake/Lodi Fab	Machine Fabrication	170

SOURCE: Clty of Lodi

CITY OF **LODI**PRINCIPALTAXPAYERS JUNE 30,1995

Property Owner	<u>Land Use</u>	Assessed /aluation	Percent of Total (1)
General Mills, Inc.	Food Processing	\$ 226,402,726	9.62%
Pacific Coast Producers	Manufacturing	45,346,290	1.93%
Daryl Geweke	Apartment Complex	13,288,401	0.56%
Dart Container Corporation	Warehousing	12,405,321	0.53%
Wells Fargo Bank	Commercial	11,761,541	0.50%
CaliforniaWaste Removal System	Industrial	10,766,209	0.46%
Dayton Hudson Corp.	Department Store	9,813,604	0.42%
Wallace Computer Service	Warehousing	9,668,699	0.41%
Willdon Land Co. Partnership	Apartment Complex	9,421,748	0.40%
Lodi Fab Industries. Inc.	Industrial	8,867,267 357.741.806	0.38% 15.20%

(1) Local Secured Assessed Valuation: \$2,353,069,000

Source: San Joaquin County Assessor's Office

CITY OF LODI SURETY BONDS OF PRINCIPAL OFFICIALS JUNE 1995

City Manager	\$500,000
Assistant C i Manager	500,000
City Attorney	500,000
C i Clerk	500,000
Public Works Director	500,000
Police Chief	500,000
Fire Chief	500,000
Finance Director	500,000
Community Development Director	500,000
Electric Utilities Director	500,000
Community Center Director	500,000
Parks and Recreation Director	500,000
Personnel Director	500,000

City employees are covered by a commercial fidelity bond amounting to a maximun of \$500,000 per loss.

SOURCE: C i of Lodi

CITY OF LODI

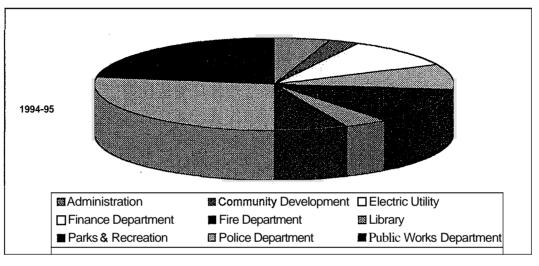
GANN APPROPRIATION LIMITATION Last Ten Fiscal Years

FISCAL YEAR	_	LIMIT BASE	CPI or INCOME	POPULATION GROWTH	GROWTH FACTOR	<i>A</i>	APPROPRIATION LIMITATION	BU -	DGET SUBJECT	Γ.	VARIANCE
1985-86	\$	19,471,483	■0374	■0404	1.0793	\$	21,015,572	\$	11,066,825	\$	9,948,747
1986-87		21,015,572	1.0538	1.0230	1.0781		22,654,787		15,386,513		7,268,274
1987-88		22,654,787	1.0304	1.0572	1.0894		24,782,072		•		24,782,072
1988-89		24,782,072	1.0393	1.0496	■ 0908		27,223,106		16,178,704		11,044,402
1989-90		27,223,106	1.0498	1.0252	1.0763		29,357,398		16,746,795		12,610,603
1990-91		29,357,398	1.0421	■ 0226	1.0657		31,286,179		17,847,059		13,439,120
1991-92		31,286,179	1.0414	1.0264	1.0689		33,441,797		22,048,696		11,393,101
1992-93		33,441,797	0.9936	1.0241	1.0175		34,027,028		17,255,606		16,771,422
1993-94		34,027,028	1.0272	1.0213	1.0491		35,697,755		16,646,590		19,051,165
1994-95		35,697,755	1.0071	1.0157	1.0229		36,515,234		17,292,960		19,222,274

^{*} Not available

SOURCE: City Finance Department

CITY OF LODI PERSONNEL AUTHORIZED LAST TEN YEARS JUNE 1995



DEPARTMENT	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
Administration	12	12	12	13	15	17	17	17	22	19
Community Development	10	11	11	11	11	11	11	11	11	11
Electric Utility	28	31	31	37	39	41	41	41	40	38
Finance Department	28	32	34	35	38	40	40	39	36	34
Fire Department	48	48	48	49	49	49	49	49	48	47
Library	13	13	13	14	14	15	15	15	15	15
Parks & Recreation	26	28	29	31	32	34	35	36	29	26
Police Department	75	84	91	94	98	104	105	105	104	104
Public Works Department	73	76	80	81	90	95	95	97	89	85
Total	313	335	349	365	386	406	408	410	394	379

SOURCE: City of Lodi Finance Department

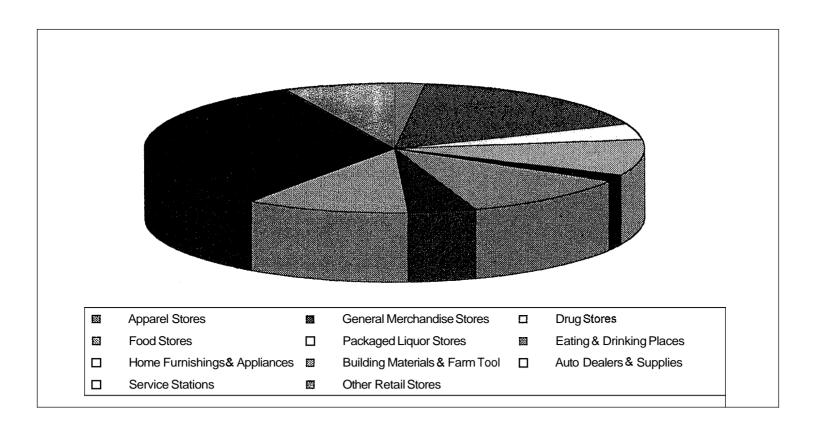
CITY OF LODI SCHEDULE OF TAXABLE SALES AND PERMITS BY CATEGORY LASTTEN YEARS

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
SALES (IN THOUSANDS OF DOLLARS)):									
Apparel Stores \$	7.289 \$	7,737 \$	8,780 \$	9,726 \$	10,283 \$	9,909 \$	9,549 \$	8,429 \$	6,467 \$	6,105
General Merchandise Stores	31,714	33.630	36,218	35,077	39,205	41,672	40.089	49,944	60,764	73,765
Drug Stores	13,412	13,504	14,166	14,456	16.987	18,066	17,719	16,373	13,184	13,673
Food Stores	24,148	25,140	27,908	33,006	37,717	35,525	40,197	42,130	33,033	28,692
Packaged Liquor Stores	5,960	5,669	6,138	6,132	6,123	4,558	3,956	6,470	6,041	5,932
Eating & Drinking Places	27,91 ■	32,166	32,246	34,606	36.810	40,361	39,302	38,548	39,161	39,714
Home Furnishings & Appliances	11,467	15,988	17,191	14,170	10,530	10,901	10,407	13,593	16,038	14,327
Building Materials & Farm Tool	23,880	27,902	21,372	26,234	31,855	31,526	28,604	30,278	37,539	34,250
Auto Dealers & Supplies	65,651	87,179 .	68,634	81,632	84.590	91,987	81.918	82.725	85.917	93.198
Service Stations	24,528	19.220	21,332	20.495	22,249	24,552	27,983	29,601	31,221	30,519
Other Retail Stores	16.592	17,822	19.081	23,876	22,561	21,830	21,488	23,089	25,666	26,547
Total Retail Stores	252,552	285.957	273,066	299.410	318,910	330.887	321,212	341.180	355,031	366,722
All Other Outlets	63.183	64,778	76.237	105,425	96,852	97.866	91.310	92.149	96.921	92,594
TOTAL \$	315,735 \$	350,735 \$	349,303 \$	404,835 \$	415.762 \$	428,753 \$	412,522 \$	433,329 \$	451,952 \$	459,316
PERMITS: Apparel Stores General Merchandise Stores Drug Stores Food Stores Packaged Liquor Stores Eating & Drinking Places Home Furnishings & Appliances Building Materials & Farm Tool Auto Dealers & Supplies							26 9 5 28 7 65 27 14 19	29 17 10 42 8 135 43 38 63 19	32 14 9 44 8 132 44 38 56 18	25 15 9 47 7 136 46 35 63 19
Service Stations							98	186	182	196
Other Retail Stores				0	0	0	309 .		577	598
Total Retail Stores	0	0	0	U	J	J	525	987	929	926
All Other Outlets	0 '	 ,	0'	0 '	0 '	0 '	832 ·	1,577	1,506	1.524
TOTAL =	0.				-	-		-,		

Not available

SOURCE: State Board of Equalization, State of California

CITY OF LODI SCHEDULEOFTAXABLESALES LAST YEAR

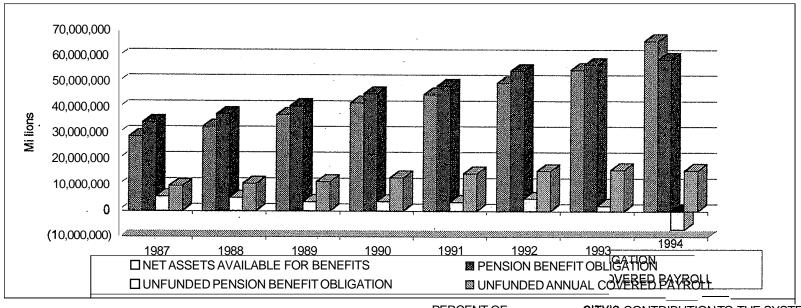


CITY OF LODI SCHEDULE OF BUSINESS TAX RECEIPTS ISSUED JUNE 30,1995

TYPE OF BUSINESS	NO. OF BUSINESSES	PERCENT
Located in Lodi:		
Agriculture, Forestry and Fishing Construction Manufacturing Transportation and Public Utilities Wholesale trade Retail trade Finance, Insurance and Real Estate Services Total	115 264 114 44 116 633 te 215 1,229	4.20% 9.67% 4.18% 1.61% 4.25% 23.19% 7.88% 45.02% 100.00%
Located outside Lodi:		
Agriculture, Forestry and Fishing Construction Manufacturing Transportation and Public Utilities Wholesale trade Retail trade Finance, Insurance and Real Esta Services	42 326 13 3 57 41 te 28 143 653	6.43% 49.92% 1.99% 0.46% 8.73% 6.28% 4.29% 21.90%
Grand Total	3,383	

SOURCE: City Finance Records

CITY OF LOD! CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM FUNDING ANALYSIS



YEAR	NET ASSETS AVAILABLE OR BENEFITS	PENSION BENEFIT OBLIGATION	PERCENT FUNDED	UNFUNDED PENSION BENEFIT OBLIGATION	ANNUAL COVERED PAYROLL	PERCENT OF UNFUNDED PENSION BENEFIT OBLIGATION TO ANNUAL COVERED PAYROLL	MADE IN ACC	ITRIBUTION TO THE SYSTEM ORDANCE WITH ACTUARIALLY IED REQUIREMENTS, AS A GE OF COVERED PAYROLL ON BEHALF OF EMPLOYEE
1987 1988 1989 1990 1991 1992 1993	45,043,300 49,570,000 54,692,800	34,242,600 37,522,800 40,651,700 45,347,800 48,402,600 54,184,200 56,707,200 58,906,500	84.1% 86.8% 91.6% 92.3% 93.1% 91.5% 96.4% 112.0%	5,458,500 4,955,800 3,402,800 3,474,500 3,359,300 4,614,200 2,014,400 (7,088,300)	9,606,000 10,472,500 11,184,300 12,736,600 14,466,000 15,416,500 15,872,200 15,712,100	56.8% 47.3% 30.4% 27.3% 23.2% 29.9% 12.7% (45.1%)	15.6% 11.9% 11.5% 10.2% 11.5% 10.6% 10.2% 10.0%	7.9% 7.8% 7.8% 7.8% 7.8% 7.8% 7.8% 7.8%

SOURCE: California Public Employees Retirement System (PERS)

Note: 1988 is the first year that the actuarial informationwas made available by PERS.

* The method for determining net assets available for benefits was changed by PERS from cost basis to actuarial smoothed market basis. This change resulted in an increase in net assets available of approximately \$7 million.

CITY OF LOD! MISCELLANEOUS STATISTICS JUNE 30,1995

POPULATION		ELECTRIC UTILITY			
Population	54,700	Number of Customers	22,295		
Assessed Value	ssessed Value 2.5m		348,468		
BuildingPermits Issued	1,415	Peak Demand(KW)	103,437		
Date of Incorporation	December6,1906				
Form of Government	Council-Manager	PARKS & R	RECREATION		
Employees	379	Parks Developed	21		
Area	12 SQ Miles	Acres Parks Developed	263		
		Parks Undeveloped	4		
FIRE PROTEC	TION	Acres Parks Undeveloped			
Number of Stations	3	Community Center	1		
Number of Firefighters	47	Swimming Pools	3		
Number of Reserve Firefighters	0	Tennis Courts	11		
Number of Calls Answered	2.645	Boat Ramp	1		
		Playgrounds	16		
POLICE PROT	ECTION	Ball Parks Various	17		
Number of Stations	1	Soccer Fields	21		
Number of Police Officers	71	Football Field	1		
Number of Reserve Officers 15		Handball/Basketball/Volleyball Courts			
Number of Support Personnel	32	Horseshoe Pits	12		
Number of Calls Answered	58,500				
PUBLICWOR	<s< td=""><td>EDUCATIO</td><td>ON</td></s<>	EDUCATIO	ON		
Miles of Streets	170	Elementary Schools	8		
Miles of Alley Ways	16	Middle Schools	2		
Number of Street Lights	4,293	High Schools	3		
Number of Traffic Signals	49	ElementaryEnrollment	5,390		
WATERWAST	TEWATER	Middle School Enrollment			
Miles of Water Mains	205	High School Enrollment	4,008		
Miles of Wastewater Lines	168				
Number of Wastewater Treatment Plants	1	HOSPITALS			
Average Daily Treatment	6.0 MG	Number of Hospitals	1		
Maximum Daily Capacity	8.5 MG	Number of Patient Beds	101		

SINGLE AUDIT REPORTS

Schedule of Federal Financial Assistance

Year Ended June 30,1995

F Grantor/Program Title	Federal CFDA or Grantor's Pass-Through <u>Number</u>	Expenditures
MAJOR PROGRAMS:		
U.S. Department of Housing d Urban (s h g San 1 n Jounty n of Planning and Building Inspection) Community Development Grants: 1994-19 Frogram Year 993 19 Pr Year 1992-1993 Program Year	14.228 14.228 14.228	\$ 477,759 268,842 6,501 753,102
U.S. Department of Transportation: (Pass-through California Department of Transportation) Federal Transit Assistance (UMTA) 1994-1995 Program Year 1993-1994Program Year	20.507 20.507	253,573 309,830 563,403
NONMAJOR PROGRAMS:		
U.S. Department of Transportation: (Pass-through California Department of Transportation): Federal Urban Aid	20.205	59,661
U.S. Department of Justice: (Pass-through State Office of Criminal Justice Planning): Crac-Net DC 90010390	16.579	73,821
Total federal financial assistance		\$ <u>1,449,987</u>

See accompanying notes to schedule of federal financial assistance.

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Notes to Schedule of Federal Financial Assistance

June 30,1995

(1) General

The accompanying Schedule of Federal Financial Assistance presents the activity of all federal financial assistance programs of the City of Lodi, California (City). The City reporting entity is defined in Note 1 to the City's general purpose financial statements. Federal financial assistance is received directly from federal agencies and through other government agencies.

(2) Basis of Accounting • Grant Program

The Schedule **of** Federal Financial Assistance has been prepared on the modified accrual basis of accounting in the governmental funds and the accrual basis of accounting in the proprietary fund which is described in Note 1 to the City's general purpose financial statements.

(3) Relationship to General Purpose Financial Statements

Federal financial assistance revenues are reported in the City's general purpose financial statements for the year ended June 30, 1995, as follows:

Revenue	Intergovernmental/ Other Net Revenue
General fund Special revenue fund Transit Enterprise fund	\$ 77,726 1,116,387
Total	\$ <u>1,757,514</u>

Total federal assistance revenues do not agree with expenditures reported on the Schedule of Federal Financial Assistance due to the timing of the submission of claims for reimbursement of expenditures.

(4) Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.



400 Capitol Mall Sacramento, CA 95814

Independent Auditors' Report on Compliance Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards

The Honorable Members of City Council City of Lodi, California:

We have audited the general purpose financial statements of the City of Lodi, California as of and for the year ended June 30, 1995, and have issued our report thereon dated October **13,1995**.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the City of Lodi, California is the responsibility of the management of the City of Lodi, California. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the City of Lodi, California's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under *Government Auditing Standards*.

This report is intended for the information of the City Council, management, and grantor agencies. However, this report is a matter of public record and its distribution is not limited.

KONS Peat Marriol LLP

October 13,1995



400 Capitol Mall Sacramento, CA 95814

Independent Auditors' Report on the Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards

The Honorable Members of City Council City of Lodi, California:

We have audited the general purpose financial statements of the City of Lodi, California, as of and for the year ended June 30, **1995**, and have issued our report thereon dated October **13,1995**.

We conducted our audit in accordance with generally accepted auditing standards and *Goventment Auditing* Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the City of Lodi, California, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the City of Lodi, California, for the year ended June 30, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.



Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the City of Lodi, California, in a separate letter dated October **13**, **1995**.

This report is intended for the information of the City Council, management, and grantor agencies. However, this report is a matter of public record and its distribution is not limited.

KOMD Gest Marwick LLP

October **13,1995** Sacramento, California



400 Capitol **Mall** Sacramento, CA **95814**

Independent Auditors' Report on Compliance with the General Requirements Applicable to Federal Financial Assistance Programs

The Honorable Members of City Council City of Lodi, California:

We have audited the general purpose financial statements of the City of Lodi, California as of and for the year ended June 30, 1995, and have issued our report thereon dated October 13, 1995.

We have applied procedures to test the City of Lodi, California's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1995: political activity; Davis-Bacon Act; civil rights; cash management; relocation assistance and real property acquisition; federal financial reports; allowable costs/cost principles; Drug-Free Workplace Act; and administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's **Compliance Supplement for Single Audits & State and Local Governments.** Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City of Lodi, California's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Lodi, California, had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying Schedule of Findings.

This report is intended for the information of the City Council, management, and grantor agencies. However, this report is a matter of public record and its distribution is not limited.

KONS Pear Narwick LLP

October **13,1995**



400 Capitol Mall Sacramento, CA 95814

Independent Auditors' Report on Compliance with Specific Requirements Applicable to Major Federal Financial Assistance Programs

The Honorable Members of City Council City of Lodi, California:

We have audited the general purpose financial statements of the City of Lodi, California, as of and for the year ended June 30, **1995**, and have issued our report thereon dated October 13, 1995.

We have also audited the City of Lodi, California's compliance with the requirements governing types of services allowed or unallowed; matching, level of effort, or earmarking; reporting; special tests and provisions related to Community Development Block Grants and Urban Mass Transportation; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance for the year ended June 30, 1995. The management of the City of Lodi, California, is responsible for the City of Lodi, California's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and **OMB** Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City of Lodi, California's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying Schedule of Findings. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.



In our opinion, the City of Lodi, California, complied, in all material respects, with the requirements governing types of services allowed or unallowed; matching, level of effort, or earmarking; reporting; special tests and provisions related to Community Development Block Grants and Urban Mass Transportation; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs for the year ended June 30, 1995.

This report is intended for the information of the City Council, management, and grantor agencies. However, this report is a matter of public record and its distribution is not limited.

KOND Peat Marwick LLP

October **13,1995**



400 Capitol Mall Sacramento, CA 95814

Independent Auditors' Report on the Internal Control Structure Used in Administering Federal Financial Assistance Programs

The Honorable Members of City Council City of Lodi, California:

We have audited the general purpose financial statements of the City of Lodi, California, as of and for the year ended June 30, **1995**, and have issued our report thereon dated October **13**, **1995**. We have also audited the City of Lodi, California's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated October **13**, **1995**.

We conducted our audits in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the City of Lodi, California, complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended June 30, 1995, we considered the City of Lodi, California's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the general purpose financial statements of the City of Lodi, California, and on its compliance with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated October 13, 1995.

KPMG Peat MarwickLLP

The management of the City of Lodi, California, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting Controls

- Expenditures and disbursements.

General Requirements

- Political activity;
- Davis-Bacon Act;
- Civil rights:
- Cash management; Relocation assistance and real property acquisition;
- Federal financial reports;
- Allowable costs/cost principles;
- Drug-Free Workplace Act; and
- Administrative requirements.

Specific Requirements

- Types of services allowed or unallowed;
- Matching, level of effort, or earmarking;
- Reporting:
- Special tests and provisions related to:
 - Community Development Block Grants
 - Urban Mass Transportation;
- Claims for advances and reimbursements; and
- Amounts claimed or **used** for matching

KPMG Peat MarwickLLP

For all of the internal control structure **categories** listed **above**, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1995, City of Lodi, California, expended 91 percent of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the City of Lodi, California's major federal financial assistance programs which are identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance programs would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is **a** condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses **as** defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of City of Lodi, California in a separate letter dated October 13, 1995.

This report is intended for the information of the City Council, management, and grantor agencies. However, this report is a matter of public record and its distribution is not limited.

KOND Gent Marwick LLP

October 13,1995 Sacramento, California

Special **Tests** and Provisions

Year Ended June 30,1995

Program

Community Development Block Grants/Entitlement Grants (14.228)

Urban Mass Transit Capital and Operating Assistance Formula Grants (20.507)

Compliance Requirement

CDBG funds cannot be obligated or expended before receipt of HUD's approval of a Request for Release of Funds (RROF) and environmental certification.

Projects must have an environmental review made unless they meet criteria specified in the regulations that would exempt or exclude them from RROF and environmental certification requirements.

The grantee must accurately account for any program income generated from the use of CDBG funds and must treat such income as additional CDBG funds subject to all program rules.

The grantee is required to enter into written agreements with its subrecipients that meet certain criteria before disbursing funds to the subrecipients.

Charter service provided after August 11, 1987, must conform to FTA's new charter service regulations. An FTA recipient may not provide any charter service unless such service is incidental and either (1) the recipient has determined that there is no willing and able private operator in accordance with the procedures of the regulations; or (2) FTA has granted a hardship exception; or (3) FTA has granted a special events exception; or (4) the recipient leases nonaccessible equipment to a private operator that lacks capacity; or (5) the recipient leases accessible buses to a private operator that has exhausted its own capacity; or (6) all the private operators in the geographical area have entered into an agreement with the recipient expressing the conditions under which the recipient may provide specific charter service. The recipient must file two copies of a charter agreement reflecting the new requirements of the regulations.

The grantee will not engage in school bus operations exclusively for the transportation of students and school personnel in competition with private school bus operators, except in accordance with the exceptions delineated in **49** CFR **605**. if the grantee does engage in exclusive school bus operations, no ETA-funded equipment or facilities are to be used for the purpose. Tripper service may be provided if **(1)** all service is open to the public; (2) trips serve the grantee's regular service stops; and (3) trips are delineated on the grantee's route schedules and maps.

All applicants for Section **9** and **9**A grants and any person or organization to receive benefits directly from such grants are subject to both the reporting system and the uniform system of accounts and records prescribed under Section **15** of the Urban **Mass** Transportation Act of **1964**, as amended.

(Continued)

Special Tests and Provisions

Year Ended June 30,1995

Program

Urban Mass Transit Capital and Operating Assistance Formula Grants (20.507), Continued

Compliance Requirement

In the development of **a** program or project and in considering significant changes in service or routes, the grantee must afford an adequate opportunity for **a** public hearing and must consider the views of interested parties.

Disposals of realty and related transit equipment must be at current market value and **a** portion of the funds received must be returned to **FTA** in proportion to the original percentage of federal funds contributed by FTA.

The grantee must undertake mitigation measures agreed to during environmental review of the project and committed in Environmental Assessments, Environmental Impact Statements, and the FTA Record of Decision prior to grant dpproval.

Grantees are required to ensure that the fares charged to elderly and handicapped persons and holders of Medicare cards during off-peak travel hours do not exceed one-half of the rates charged during peak hours.

For the acquisition of all rolling stock and communications equipment, traction power equipment, and train control equipment, the item being procured will be considered to comply with the "Buy America" requirements if the cost of the components and subcomponents of the item that are produced in the United States is more than **50** percent of the cost of all components and the final assembly takes place in the United States.

Schedule of Findings

Year Ended June 30,1995

Federal Transit Assistance (CFDA No. 20.507)

1. **Finding:** As noted in Finding 3 in the Status of Prior Year Findings, the first, second, and third quarter statements of revenues and expenses to the U.S. Department of Transportation for federal transit assistance for fiscal 1995 were filed late. The responsibility of filing such statements was re-assigned to another employee during the fourth quarter of fiscal 1995. The fourth quarter statement was filed timely.

Recommendation: We recommend the City comply with all reporting requirements. Failure to comply may jeopardize current and future receipt of assistance.

Status of Prior Year Findings

Year Ended June 30,1995

Federal Transit Assistance (CFDA No. 20.507)

- 1. **Finding:** Federal participation rates for the transit assistance are 50% and 80% for operating and capital expenditures, respectively. During the fiscal 1994 audit, we noted two expenditures totaling approximately \$83,000, classified as operating expenditures which should have been classified **as** capital expenditures. A correction was made prior to the request for reimbursement resulting in additional funding of approximately \$25,000.
- 2. **Finding:** During our fiscal 1994 audit, we noted federal transit assistance expenditures of \$378,164 which had not been included in the Schedule of Federal Financial Assistance. It was our understanding that the Finance Department had not been notified by the department which had incurred the cost that such expenditures were to be reimbursed by federal assistance. The schedule was adjusted to include such expenditures.
 - **Resolution to Findings 1 and 2:** During the year ended June 30, 1995, the City appointed a Transit Manager. This employee is responsible for approving expenditures, monitoring expenditure classifications, preparing the administrative portion of the required quarterly status reports, and managing the operation of the transit program. The Accounting Manager is responsible for preparing the financial portion of the required quarterly status reports, requests for reimbursement, and the Schedule of Federal Financial Assistance. No findings relating to the classification of expenditures or exclusion of reimbursable expenditures from the Schedule of Federal Financial Assistance were noted during the fiscal 1995 audit.
- **3. Finding:** During fiscal 1994, the City was late in filing **a** required quarterly statement of revenue and expenses to the U.S. Department of Transportation for its federal transit assistance.

Resolution: The City continued to be late in filing its first, second, and third quarter statements of revenues and expenses to the U.S. Department of Transportation for its federal transit assistance during fiscal 1995. During the fourth quarter of fiscal 1995, responsibility for filing of the statements was re-assigned to another employee. The fourth quarter statement for the current year was filed timely.